



Daily Report

East Asia

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APEC Agrees Not To Discuss Tariffs, Labor, Corruption Issues

BK1907032096 Manila BUSINESS WORLD
in English 19 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Trade representatives to the 18-member Asia-Pacific Economic Cooperation (APEC) have agreed not to spread themselves too thin by turning down discussions on three subjects — tariffs on industrial goods, labor relations, and graft and corruption.

This was decided during the APEC trade ministers meeting in New Zealand last 15 and 16 July, Trade Undersecretary Cesar Bautista said.

Mr. Bautista added the three sectors submitted for inclusion to the built-in agenda may have to wait since about 14 areas in the list have not seen light to this day.

APEC's built-in agenda covers areas of future negotiations or rules of origin, intellectual property, investment and competition policy.

The review on tariffs on industrial goods zeroes in on the acceleration of the Information Technology Agreement's (ITAs) liberalization, he said.

This was initiated by the United States through US Trade Representative Charlene Barshefsky. The US wants to eliminate import duties particularly on computers and telecoms equipment.

Consensus

"There is a widespread consensus among members that this is an area that should be looked for possible APEC action," Ms. Barshefsky said in earlier reports.

But it would seem the United States will again be unsuccessful in the ITA as it was in the transparency of government procurement programs it floated during the APEC Senior Officials' Meeting (SOM) in Cebu last May.

The US again raised government procurement in the meeting under the clause of bribery and corruption. Once more, it fell on deaf ears.

Sources from the APEC Substantive Group earlier told BUSINESS WORLD one of the incidents that drove the US to pursue the matter was the recent controversy on the bidding of the Topweb, the IT [Information Technology] network of Cabinet officials and President Ramos.

Mr. Bautista noted the APEC will subject to test any new areas submitted for discussion. Among the criteria to be used in relation to trade are propriety of the forum and maturity of the topic.

Another Batch

Meanwhile, he said another batch of economies re-submitted individual action plans (IAPs) on the 15 areas of trade and investment liberalization facility and 13 sector under economic and technological cooperation.

IAPs cover the proposed tariff reduction schemes on all goods and services APEC members are willing to commit for a freer and more integrated trade and investment regime by 2010 for richer members and 2020 for developing ones.

All 18 members submitted draft IAPs during the second senior officials meeting in Cebu but these were mostly uneven such that it prompted some of the members to revise their positions.

Among those which re-submitted their IAPs were Australia, Japan, Korea, Thailand, China, Taiwan and Indonesia.

The IAPs will continuously be fine-tuned until the APEC Ministerial meeting on November in the Subic Freeport Zone. For the third senior ministers meeting in Davao in August, APEC expects more revised versions to pour in.

Sources said the US draft is the most deficient because it was premised on reciprocity and not voluntary as APEC suggests.

Forum Protests to PRC Foreign Minister Over Nuclear Tests

LD1907105896 Melbourne Radio Australia
in English 0900 GMT 19 Jul 96

[FBIS Transcribed Text] The South Pacific Forum has protested to China's visiting foreign minister over the continuation of Chinese nuclear tests. Qian Qichen, who is also a vice-premier, was greeted by forum secretary-general, Ieremia Tabai, who conveyed the group's disappointment at the ongoing tests.

In reply Mr. Qian said [that] China was very optimistic of concluding the comprehensive test ban treaty under which such tests would be banned.

The Chinese foreign minister was visiting the South Pacific Forum in Suva to announce China's first donation to the secretariat, totaling \$120,000. Forum officials said the aid would be available in the form of goods and services but they were unsure as yet how it would be used.

Mr. Qian and Mr. Tabai also discussed a proposal to open a South Pacific trade office in Beijing.

Later the foreign minister held talks with Fiji Prime Minister Sitiveni Rabuka, but details of the meeting were not available.

Mr. Qian, is expected to leave for Western Samoa tomorrow.

**Indonesia's Alatas: ASEAN 'To Reconsider'
SEANWFZ Treaty**

*BK1807131396 Jakarta Radio Republik Indonesia
Network in Indonesian 1200 GMT 18 Jul 96*

[FBIS Translated Text] ASEAN is ready to reconsider the protocol to the Southeast Asian Nuclear Weapon-Free Zone [SEANWFZ] Treaty, primarily to accommodate the status of developed countries that possess nuclear weapons. Several developed countries that possess nuclear weapons have found it difficult to accede to the SEANWFZ Treaty.

Foreign Minister Ali Alatas said this during a briefing on the results of the ASEAN Standing Committee meeting in Jakarta today. The SEANWFZ Treaty, which was signed by all Southeast Asian countries during the Fifth ASEAN Summit in Bangkok in December 1995, is a positive step toward the creation of a zone of peace, freedom, and neutrality in Southeast Asia. Nevertheless, developed countries have regarded the SEANWFZ Treaty as an obstacle to the enhancement of their cooperation with ASEAN.

ASEAN Criticizes Media for Only Covering Burma Policy

*BK1907034396 Bangkok THE NATION in English
19 Jul 96 p A2*

[Report by Don Pathan and Yindi Loetcharoenchok]

[FBIS Transcribed Text] Jakarta — Despite efforts by the Association of Southeast Asian Nations to play down its policy towards Burma, the issue has continued to haunt its members and dominate regional media coverage.

Since last week Burma has been splashed over the front pages of regional newspapers and has hounded senior ASEAN officials preparing for the annual meeting of their foreign ministers tomorrow and Sunday.

And it looks as if the trend will continue to overshadow a series of ministerial meetings that will take place from this weekend onwards, even though it is not mentioned on any official agenda.

Indonesian Foreign Minister Ali Alatas, who was bombarded with questions on Burma, pleaded with journalists yesterday to drop the subject. For nearly a week he has been answering critical questions on Burma and ASEAN's constructive engagement policy towards the country.

Yesterday Alatas gave another lengthy uniform answer about Burma, saying the recent massive crackdown

on Burmese political activists by the junta there and the human rights abuses are "internal matters", and, therefore, ASEAN members would not comment or interfere.

He was obviously concerned and annoyed that the issue has become the main topic at all his meetings with journalists and questioned if the media actually knew what was happening in the country.

"We (ASEAN) don't exactly know what happening there. Do you believe everything that you read in the newspapers? So please, I would like to appeal to all of you (the media): don't make Myanmar (Burma) the headline of this ASEAN Ministerial Meeting (AMM). It's not fair."

"At the AMM, you know, we will be tackling many other issues. It's an important meeting for leaders of other countries. Major countries are coming here. Let's keep the writing, let's keep the reporting a little bit balanced," he pleaded.

ASEAN's Western dialogue partners also refused to drop the Burma issue and have said they will lead discussions on the subject at both the ARF [ASEAN Regional Forum] and the Post Ministerial Conference, where they will hold talks on their bilateral political, economic and social cooperation.

Canada, the European Union, and the United States, who have failed so far to convince ASEAN members to develop a tougher stance towards Burma, have stated their intentions to question the "soft approach" of ASEAN's constructive engagement policy.

Meanwhile, Burmese Foreign Minister U Ohn Gyaw, wearing a broad confident smile upon his arrival yesterday, said he was "happy to be here".

"I feel like I'm among friends. It's a desire of Myanmar to be associated very closely with ASEAN," he added.

Ohn Gyaw expressed confidence that ASEAN members would be able to smoothly handle and control the ARF where he will have the first encounter, if not confrontation, with those Western critics.

"As far as we are concerned, we have no enemies. Everybody is our friend ... The meeting is in the hands of ASEAN," he said.

When asked what he thought Burma could contribute to the ARF, the Burmese minister quickly replied "regional stability".

Japan

Japan: Kubo: Interest Rate Policy Unaffected by Greenspan's Remarks

OW1907052996 Tokyo KYODO in English
0503 GMT 19 Jul 96

[FBIS Transcribed Text] Tokyo, July 19 KYODO — Finance Minister Wataru Kubo said Friday [19 July] that Japan's interest rate policy has not been affected by remarks by the head of the U.S. central bank indicating a tightening of U.S. monetary policy.

"Overseas movements, particularly the situation in the united states, should be carefully watched, but speculation and various remarks from foreign leaders alone do not directly affect Japan's interest rate policy," Kubo said at a news conference.

He made the comment after Alan Greenspan, chairman of the U.S. Federal Reserve Board, said in Congressional testimony Thursday the U.S. central bank will move to tighten credit if inflationary pressures increase.

Commenting on the Japan-U.S. insurance dispute, Kubo said the two countries have yet to narrow their difference sufficiently to increase the chance of the issue being settled by the self-imposed deadline of July 31.

Kubo said that after seeing the results of a senior-level meeting next week, he will consider whether it is necessary to make political decisions to strike a deal on the issue.

Eisuke Sakakibara, director general of the Finance Ministry's International Finance Bureau, and Ira Shapiro, senior counsel and negotiator at the office of the U.S. Trade Representative, are scheduled to meet July 25-26 to try to break the impasse over measures taken by Japan to liberalize its insurance market.

Tokyo, Washington Fail To Narrow Differences in Insurance

OW1807161596 Tokyo KYODO in English
1537 GMT 18 Jul 96

[FBIS Transcribed Text] Tokyo, July 19 KYODO — With the July 31 deadline approaching, Japan and the United States failed to narrow their differences over liberalization measures for the Japanese insurance market in two days of talks that ended in Tokyo on Thursday.

The working-level meeting was intended to lay the groundwork for settling the insurance dispute at a senior-level meeting next week, but the differences between the two countries on the insurance issue remain "very wide," Japanese officials said.

A finance ministry official said Japan and the U.S. Are still at loggerheads on ways to review progress in market-liberalization efforts by Japan in the primary life and nonlife insurance sectors.

The two countries also remain apart over liberalization measures taken for so-called "third-sector" insurance products, he said.

The third sector covers such insurance areas as cancer, nursing-care and accidents that fall in a gray zone between the primary life and nonlife insurance sectors.

The Japanese officials said Eisuke Sakakibara, director general of the finance ministry's international finance bureau, and Ira Shapiro, senior counsel and negotiator of the office of the U.S. Trade representative, will meet probably July 25-26.

But the details of their talks are not decided, they said.

A U.S. administration source in Washington has said Sakakibara and Shapiro would hold talks in Vancouver, Canada.

The Sakakibara-Shapiro talks will be virtually the last opportunity for the two countries to strike a deal over the insurance issue by the July 31 deadline.

The deadline was set by prime minister Ryutaro Hashimoto and U.S. President Bill Clinton at their talks in Lyons, France, in late June when they attended the annual summit meeting of the Group of Seven (G-7) industrial countries.

Japan: Editorial Urges Abolition of Semiconductor Accord

OW1907052496 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 18 Jul 96 Morning Edition p 2

[Editorial: "The Japanese and U.S. Governments Must Not Allow Distortions in the Semiconductor Market"]

[FBIS Translated Text] The negotiations over the question of maintaining or abolishing the Japan-U.S. semiconductor agreement, which expires at the end of July, are now facing rough-going. Behind the deadlocked negotiations lies not only a difference between Japan and the United States in their economic logic, but also the fact that under the U.S. political system the U.S. Government has to display a strong attitude in diplomatic affairs because this is a presidential election year. The Japanese Government should not simply comply with the wishes of the U.S., but should insist on making its various points based on the fact that the bilateral semiconductor agreement has distorted its trade policies for the past 10 years.

The semiconductor agreement has obviously achieved its objectives. It has opened up the Japanese semiconductor market, encouraged cooperation between Japanese and U.S. chip companies, and, as a result, U.S. and other foreign products now enjoy access to the Japanese market.

Since the beginning of 1996, the prices of memory products have sharply dropped and the semiconductor industry has suffered a recession — a similar situation occurred 10 years ago when the Japan-U.S. semiconductor agreement was concluded. Nevertheless, there are no moves to substitute domestic semiconductor products for foreign products. Acting on economic rationality, Japanese companies do not hesitate to procure products and parts from outside the company, regardless of whether they are domestic or foreign, if the products are good enough. This attitude has planted its roots deeply in the minds of Japanese companies as a major point in their management policies. More than a few companies depend entirely on foreign makers for IC's [integrated circuits], the heart of personal computers and home appliances. Even if the current bilateral semiconductor agreement is abolished, it is unthinkable that these companies would act irrationally.

Even if we grant that the existing agreement was concluded as an emergency measure, we need to reconfirm that it will be unnecessary in the future. In the first place, a bilateral arrangement between Japan and the United States about the share of foreign chip products on the Japanese market runs fundamentally counter to the spirit of free trade. If necessary, semiconductor issues should be discussed at a broader, international forum, including the European Union (EU), as proposed by the Japanese Government. The era of the semiconductor market oligopoly between Japan and the United States has ended. The truth is that the United States does not have authority to represent other nations that have an interest in the Japanese market.

Second, the government should simply try to improve market conditions so that transactions are conducted freely. It goes without saying that the government should neither indicate a procurement target to companies nor compel them to procure a certain amount of foreign chip products. The Japanese and U.S. Governments have completely agreed to promote deregulation in the Japanese market. Nevertheless, the United States is ready to distort the principles of the market to secure a certain share for U.S. products. We do not understand this U.S. stand.

If the market share enjoyed by foreign chip products gradually decreases as a result of free market competition amid the growing trend of international coopera-

tion and interdependence among companies, it provides a warning that foreign products have problems of competitive strength or some other point. Companies are responsible for making good use of this warning. However, the government should not be involved in this.

Japan: Defense Report Avoids 'Elaborating' on Okinawa Bases Issue

OW1907054096 Tokyo KYODO in English
0518 GMT 19 Jul 96

[FBIS Transcribed Text] Tokyo, July 19 KYODO — The Defense Agency, while stressing advances in Japan-U.S. military cooperation, avoided elaborating on the issue of U.S. bases in Okinawa Prefecture in its annual report released Friday.

The report did not bother to mention in detail an ongoing dispute over an Okinawa landowner's request for the return of his land in the U.S. Navy's Sobe communications facility in the village of Yomitan.

An author of the annual report said Defense Agency officials discussed the issue but decided not to go into detail in light of a lawsuit filed by the government against Okinawa Gov. Masahide Ota.

The Okinawan landowner, Shoichi Chibana, 47, will file suit next week against the Japanese Government demanding the return of a 236-square-meter plot within the Sobe facility, his lawyer said.

Although the forced lease for the land expired at the end of March, the government continues to allow U.S. forces to use it without any clear legal basis.

As Ota has refused to take legal steps needed to renew the compulsory lease of the land, the central government has filed a suit against him, with the first hearing scheduled for July 29.

The defense report noted that about 75 percent of the U.S. military's facilities and areas in Japan are concentrated in Okinawa, with the bases occupying 10 percent of Japan's southernmost prefecture.

Another issue which was mentioned in the annual report concerns the relocation of a heliport from the U.S. Marine Corps' Futenma Air Station, which is located in the center of the city of Ginowan.

The defense report touted the agreement to return the Futenma base as reflecting prime minister Ryutaro Hashimoto's "strong leadership and U.S. understanding and cooperation."

The U.S. military presence in Japan, particularly in Okinawa, developed into a touchy security and diplomatic

issue between the two countries after the rape of a primary schoolgirl in Okinawa last September by three U.S. servicemen, who received prison terms.

In addition to pushing negotiations with the Okinawa prefectural government, which is resisting any relocation of the heliport within the prefecture, Tokyo hopes to speed up talks with the United States by convening a joint action committee on the issue later this month or in early August.

The Japanese and U.S. governments plan to hammer out concrete measures for the agreed relocation of U.S. military facilities in Okinawa through the action committee and issue a final report at bilateral defense talks in November.

Okinawa will also hold a referendum Sept. 8 concerning the U.S. military bases in the island prefecture.

During U.S. President Bill Clinton's trip to Tokyo in April, Japan and the U.S. also concluded an acquisition and cross-servicing agreement as part of the expanded defense cooperation.

Japan: Prefectural Government Urges Cooperation in Referendum

OW1807135896 (Internet) Okinawa Prefectural WWW in Japanese 17 Jul 96

[FBIS Translated Text] The Okinawa Prefectural Referendum will ask Okinawans if they approve or disapprove of a "review of the Japan-U.S. Status of Forces Agreement and realignment and reduction of U.S. military bases."

Unlike ordinary elections, voters are not requested to vote for any candidates in the referendum but requested to directly express themselves on the questions mentioned earlier.

It has attracted public interest nationwide because this will be the first prefectural referendum in Japan and is significant from the historical viewpoint.

Each voter is requested to go to a polling station on the polling day to cast a vote. Absentee voting is available for those who are unable to make it to the polling station on the voting day.

Qualified are those who live in municipalities in Okinawa Prefecture on the voting day and those who are registered on the qualified voters' list.

When voting, please draw a circle in either an approval or a disapproval column that corresponds to your views.

Let us all, from the young to the aged, vote on 8 September.

Japan: Kajiyama Views Climax of Okinawa Base Issues in Sep

OW1907124296 Tokyo MAINICHI SHIMBUN in Japanese 19 Jul 96 Morning Edition p 2

[FBIS Translated Text] Chief Cabinet Secretary Seiroku Kajiyama met with Shigeru Ito, Social Democratic Party Vice Chairman and Policy Board Chairman, in Tokyo on 18 July. Kajiyama indicated his view that the Okinawa base issues will come to a climax in September, and also informed Ito of the government's intention to make efforts for a settlement of various issues, including construction of a U.S. military heliport in conjunction with the return of Marine Corps Air Station Futenma. Moreover, both agreed to take measures for administrative reform, such as increase in the number of public service personnel and reform of the Ministry of Finance.

Japan: Nagasaki Governor Urges Early Handover of U.S. Sailor

OW1907071696 Tokyo KYODO in English 0646 GMT 19 Jul 96

[FBIS Transcribed Text] Nagasaki, July 19 KYODO — Nagasaki Gov. Isamu Takada called Friday for the early handover to Japanese police of a U.S. sailor whose arrest is sought on suspicion of attempted murder and robbery of a 20-year-old Japanese woman, prefectural officials said.

Vice Gov. Akira Matsuo filed Takada's request with the Foreign Ministry, the officials said.

Police have already obtained a warrant of arrest for the 20-year-old crew member of the guided missile frigate McClusky, based at Sasebo, Nagasaki Prefecture, police sources said. The identity of the sailor is withheld.

Hitoshi Tanaka, deputy director general of the Foreign Ministry's North American Affairs Bureau, told the vice governor that the United States has promised to help with Japan's investigations.

If the seaman is turned over to the Japanese authorities, it will be the first such handover since the United States agreed last year to turn over U.S. military personnel suspected in serious criminal cases even before they are indicted.

Under the 1960 Status of Forces Agreement between Japan and the U.S., U.S. military personnel suspected of committing crimes in Japan could not be turned over to Japanese authorities before being formally indicted by Japanese prosecutors.

But the U.S. agreed last year to a change in the practice in the wake of the abduction and rape of a primary schoolgirl in Okinawa Prefecture by three U.S.

servicemen, who were tried by a Japanese court and given prison sentences.

The three had remained in U.S. custody until being indicted.

The assault in Sasebo occurred at about 1 A.M. Tuesday in a park in the southwestern Japanese port city.

According to police, Kaori Tanigawa was slashed in the throat by a man who approached her from behind while she was walking.

Tanigawa, who was seriously injured, was quoted as telling police in writing, "I was deprived of my handbag. It looked like a foreigner."

Police found the bag near a hospital about 200 meters from the scene of the crime, the officials said.

Police sources said the sailor has been questioned by Nagasaki prefectural police since being taken into custody by U.S. military authorities.

The U.S. naval authorities in Japan have confirmed that the suspect continues to be questioned by Japanese authorities.

"Naval authorities are cooperating fully with Japanese authorities to swiftly resolve this case and make certain the person responsible for this violent and senseless crime is held fully accountable," the U.S. Navy said in a statement.

The statement expressed concern for the well-being of the victim and wished her a speedy recovery.

Japan: Tsukahara Says Tokyo Wants APEC To Focus on Infrastructure

OW1807235496 Tokyo KYODO in English
1616 GMT 18 Jul 96

[FPIS Transcribed Text] Manila, July 19 KYODO — Asian and Pacific rim economies, particularly east Asian countries, need \$1.3 to \$1.5 trillion to sustain its economic growth through continued infrastructure development, Japanese trade minister Shumpei Tsukahara said Thursday [18 July].

Tsukahara, in Manila for a two-day visit, stressed in a speech that the Asia-Pacific Economic Cooperation (APEC) forum must focus on the provision of infrastructure, warning that "infrastructure bottlenecks could become bottlenecks in economic growth."

"Unfortunately, there is simply not enough capital around in the region to cover this massive demand, and given government debt problems, it may not be appropriate to use public funds," he said.

He said deregulation and the improved financial credibility of Asian countries have promoted the private sector-led infrastructure projects currently being conducted in east Asia.

"In many cases, projects are on too large a scale to be implemented by one country, with cooperation instead among not only developed countries such as Japan and the United States but also Association of Southeast Asian Nations (ASEAN) countries," Tsukahara said.

To ensure a smoother supply of capital toward infrastructure provision in east Asia, he said APEC economies should promote capital cooperation, particularly in regard to expanding current risk coverage through adequate information exchange and linkage between the export credit agencies of ASEAN and other countries.

"In doing so, it will be important that this cooperation does not take the form of aid but rather of an equal partnership between APEC members in responding to business needs," he said.

"I believe that APEC can make a major contribution to regional infrastructure provision through discussion among export credit concerning cooperation toward long-term, stable flows of private-sector capital," he said.

Tsukahara said Japan intends to support infrastructure projects through its trade and investment insurance, a program of the Ministry of International Trade and Industry (MITI).

The program "is designed to respond to the wide range of capital needs in today's Asia," he said.

Tsukahara is expected to take up the matter when he meets with Philippine President Fidel Ramos on Friday in the Malacanang presidential palace.

"As of April, MITI has lowered premiums for the Philippines, evidence of Japan's faith in the Philippine economy, and we expect that this will increase capital inflows," he said.

Tsukahara is also expected to discuss a variety of multilateral issues, such as APEC, as well as bilateral issues and areas of mutual concern when he meets with Ramos and Philippine trade and investment secretary Rizalino Navarro.

Tsukahara's visit to Manila is part of a wider tour of the region, following a visit to New Zealand and Australia.

Japan: Tsukahara Urges APEC To Study Coordinated Trade Insurance

OW1907022796 Tokyo *NIHON KEIZAI SHIMBUN* in Japanese 17 Jul 96 Evening Edition p 3

[Article by Hiroaki Terashima]

[FBIS Translated Text] Sydney, 17 July — International Trade and Industry Minister Shunpei Tsukahara, in a speech at the 17 July luncheon hosted by the Australian Economic Development Committee, stressed members of the Asia-Pacific Economic Cooperation forum (APEC) should assist private infrastructure projects in Asia. He said, to achieve the objective, "coordination of APEC members' trade insurance systems will be an effective tool, and this issue will become a subject for APEC."

Japan: Defense Agency Voices 'Concern' Over PRC Military Buildup

OW1907021096 Tokyo *KYODO* in English 0152 GMT 19 Jul 96

[FBIS Transcribed Text] Tokyo, July 19 *KYODO* — The Defense Agency's annual report on Friday voiced concern about China's military buildup and stressed the need for watching it with caution, but toned down its description of the Russian military in the Far East.

It noted rapid and steady growth in China's military spending in the past several years, pointing out that it grew 11 percent in 1996 to post a growth rate of more than 10 percent for the eighth straight year.

"China's military modernization is expected to go on gradually given that China puts top priority on economic development for the time being and faces a budget deficit," said the report presented by Defense Agency chief Hideo Usui to the cabinet Friday morning.

"But the situation must be watched with caution in terms of promotion of nuclear weapons and modernization of the navy and air forces, expansion of naval activity and heightened tension in the Taiwan Strait as seen in the military drill near Taiwan," it said.

In contrast, the annual report softened the wording used in describing the Russian military in the Far East by deleting the words "unstable factor," which were applied to it until last year's report, while pointing to a cut in Russian troops in the region.

It said the situation in the Asia-Pacific region is still uncertain despite the cut in Russian troops.

"Although there is a cut in the Russian military in the Far East in troop numbers and changes in the military situation, opaque and uncertain factors remain in the Asia-Pacific region because many countries endeavor to

expand and modernize their military amid the existence of huge military powers, including nuclear ones, even after the end of the Cold War," it said.

The report reiterated concern about North Korea, describing it as "a serious unstable factor for security in east Asia" for its suspected nuclear weapons development program and development of long-range ballistic missiles.

On the mutual security system with the United States under the Japan-U.S. security pact, the report signaled Japan's increased commitment to peace and stability in the Asia-Pacific region.

"The significance of its commitment to peace and stability in our nation's neighboring areas has been on the rise amid changes taking place in the international situation since the end of the Cold War," it said.

In the past, the report noted the pact's importance for peace and stability in "the Far East" without defining the Far East.

On other topics, the report emphasized the need for implementing a realignment, consolidation and cut in the U.S. military presence in Okinawa Prefecture, the southwestern island prefecture that provides about 75 percent of all land used by the U.S. military in Japan.

People in Okinawa have been outraged by the concentration of U.S. military facilities on their island for some time and their resentment against the U.S. military has grown since the rape of a local schoolgirl by three U.S. servicemen last September.

In April, the U.S. agreed to leave about 20 percent of the land it occupies in Okinawa Prefecture.

Japan: Foreign Ministry Spokesman Comments on Senkaku Islands

OW1907112296 Tokyo *KYODO* in English 1058 GMT 19 Jul 96

[FBIS Transcribed Text] Tokyo, July 19 *KYODO* — The disputed Senkaku Islands in the East China Sea are an integral part of Japan's territory, a Foreign Ministry spokesman said Friday.

"It is crystal-clear that the Senkaku Islands are, historically and under international law, our indigenous territory," Spokesman Hiroshi Hashimoto told a news conference.

"In fact, we are actually controlling the islands," he added.

The uninhabited islands, called Diaoyu or Diaoyutai in Chinese, are located some 150 kilometers northeast of Taiwan. They are claimed by China, Japan and Taiwan.

Hashimoto made the comment in response to a Chinese Foreign Ministry spokesman's statement Thursday that the islands belong to China in the wake of a Japanese right-wing group's recent construction of a lighthouse on part of the isles.

Tokyo, Seoul Agree To Open Talks on 200-Mile Zone in Aug

OW1907103996 Tokyo KYODO in English
0956 GMT 19 Jul 96

[FBIS Transcribed Text] Tokyo, July 19 KYODO — Japan and South Korea have agreed to hold in Tokyo in mid-August the first round of talks on demarcation of their respective 200-nautical mile exclusive economic zones, the Foreign Ministry announced Friday.

The talks follow an agreement reached in late June by Prime Minister Ryutaro Hashimoto and South Korean President Kim Yong-sam to hold such negotiations. They met on South Korea's resort island of Cheju.

At a working-level meeting, both sides will explain their basic positions on the drawing of national sea boundaries in line with the UN Convention on the Law of the Sea, ministry officials said.

Both Japan and South Korea ratified the UN convention earlier this year. Nevertheless, the upcoming talks could reignite a territorial dispute over a group of islets in the sea of Japan, known in Japan as Takeshima and as Tokto in South Korea.

Japan: Senior Burmese 'Dissident' Urges Boycott Against Airline

OW1907124396 Tokyo KYODO in English
1157 GMT 19 Jul 96

[FBIS Transcribed Text] Tokyo, July 19 - A senior Myanmar [Burma] dissident Friday urged Japanese to boycott a Japanese airline that recently started flights to Yangon [Rangoon].

Win Khet, chairman of the National League for Democracy (Liberated Area) [NLD (LA)], called on Japanese not to use All Nippon Airways (ANA), Japan's second-largest airline, which started Osaka-Yangon flights Tuesday.

Pro-democracy party leader Aung San Suu Kyi has appealed to foreign companies not to have business dealings with Myanmar until democracy is restored there.

The NLD (LA) is the NLD's arm outside Myanmar and in areas in the country that are not controlled by the ruling state law and order restoration council. Win Khet, who was elected to parliament in the 1990

elections, set up the NLD (LA) in Manerplaw, the Karen national union stronghold that has since come under junta control.

Suu Kyi told reporters when the first ANA plane touched down in Yangon on Tuesday that she hoped Japanese would not visit Myanmar at least until the junta-sponsored "Visit Myanmar Year" campaign is over.

Speaking at a press conference here, Win Khet also called on Japan not to extend economic assistance to Myanmar, including humanitarian aid.

Japan resumed large-scale aid to the country last October, with a 1.62 billion yen grant-in-aid to finance a project to enlarge a nursing institute.

Such assistance had been suspended since the military coup that brought the junta to power in 1988.

He said Japan should direct humanitarian aid to help tens of thousands of Myanmar who have sought refuge in neighboring countries.

Win Khet also criticized the Association of Southeast Asian Nations for following a policy it calls constructive engagement with Myanmar for eight years while "completely neglecting" Suu Kyi's NLD.

Tokyo Decides To Invite PLO Chairman 'Arafat in Sep

OW1807141396 Tokyo YOMIURI SHIMBUN
in Japanese 18 Jul 96 Morning Edition p 3

[FBIS Translated Text] As of 17 July, the government decided to invite PLO Chairman Yashir 'Arafat to Japan as part of its efforts to promote the Middle East peace process. It is now making arrangements with the PLO to have 'Arafat visit Japan in September. Former Prime Minister Tomiichi Murayama (at the time) asked 'Arafat to visit Japan when he met the PLO leader during his Middle East visit last September. If the visit should materialize, it will be 'Arafat's third Japanese visit.

Selichiro Noboru, director general of the Middle Eastern and African Affairs Bureau under the Ministry of Foreign Affairs, who is currently touring the Middle East, will sound out the PLO once again about the proposed invitation by the end of this week.

With the inauguration of the new Israeli administration under President Benjamin Netanyahu, who advocates reviewing the Middle East peace process, concerns have been voiced over peace in the Middle East. Amid this situation, the Japanese Government, for its part, plans to take the opportunity with 'Arafat's visit to reiterate its intention to support efforts to continue the ongoing

peace process, as well as contribute as much as it can. In addition, it is expected that the government will convey its intention to further expand its Palestinian aid program, including direct grants to the PLO which is already under way.

The PLO is positive about 'Arafat's visit to Japan. Observers say the reason for this is that the PLO has judged that it is important to once again solicit Japan's backing for the ongoing peace process and obtain Palestinian aid amid possible intensification of friction between the PLO and Israel as a result of the inauguration of a new Israeli administration.

Japan: Hashimoto Meets Business Leaders on Monetary Policy, Reform

OW1907003996 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Jul 96 Evening Edition p 1

[FBIS Translated Text] On the morning of 17 July, Prime Minister Ryutaro Hashimoto met with leaders of four major business associations, including Chairman Shoichiro Toyoda of the Japan Federation of Economic Organizations [Keidanren]. In the meeting held at a Tokyo hotel, Hashimoto noted it is difficult to forecast Japan's monetary policy because "it is uncertain what kind of decision the Federal Open Market Committee (FOMC) of the United States will make on 20 August." He said "Japan can hardly determine its course of action right now because (the U.S. interest rates) may move either way."

Regarding formulation of the fiscal 1997 budget, Hashimoto showed his intention to strictly curtail all expenditures from the budget request phase. He stated: "We have to give adequate consideration to economic trends in the next fiscal year, but large amounts of outstanding public bonds and deficits from the former National Railways are becoming serious problems." He added that formulation of another supplementary budget in fiscal 1996 should be considered very prudently with an eye on economic trends.

Hashimoto also expressed his desire to keep up efforts for administrative reform and deregulation, and called for positive support from the business sector. Especially on administrative reform, Hashimoto stressed: "We do not feel the support of the business sector compared with the period of the ad hoc administrative reform panel led by former Keidanren Chairman Toshio Doko. I hope the business sector will back the trend of administrative reform."

Japan: Keidanren To Toughen 'Ethical Charter' for Business

OW1907113496 Tokyo KYODO in English 1032 GMT 19 Jul 96

[FBIS Transcribed Text] Oyama, Japan, July 19 KYODO — Business leaders agreed Friday to toughen an "ethical charter" for businesses in the wake of scandals involving major Japanese companies, officials of the Federation of Economic Organizations (Keidanren) said.

Keidanren will consider incorporating fines, expulsions and other punitive measures into the charter as a step to toughen it, the officials said.

The decision was made during the second-day session of Keidanren's summer forum in the town of Oyama in Shizuoka Prefecture, central Japan.

The influential business group adopted the charter five years ago in reaction to a series of scandals, such as Sumitomo Bank's improper loans and transactions involving securities companies.

Although the charter bans Keidanren member companies' ties with organizations that could adversely affect social order and security, it does not include punitive measures against violators.

In the wake of the recent revelation of scandals including department store chain Takashimaya Co.'s close ties with a gangster boss and huge losses racked up in unauthorized copper trading by a former chief trader of Sumitomo Corp., Keidanren Chairman Shoichiro Toyoda called for members to read the charter again.

In Friday's session of the forum, however, Yutaka Kume, adviser to Nissan Motor Co., said it is not enough to just read the charter again, and other participants agreed, according to the Keidanren officials.

Japan: EPA Head Tanaka Urges Administrative Reforms

OW1907061996 Tokyo KYODO in English 0603 GMT 19 Jul 96

[FBIS Transcribed Text] Tokyo, July 19 KYODO — Economic Planning Agency head Shusei Tanaka urged the government Friday to promote administrative restructuring in tandem with fiscal reforms.

"If fiscal reforms are to be promoted, bold administrative reforms are necessary," he told a news conference after a cabinet session at which a framework for budgetary ceilings for ministries and agencies was endorsed.

He said fiscal reforms will never progress unless administrative restructuring makes headway.

**Japan: Kubo Declines Comment on 'Jusen'
Investment Fund Adequacy**

OW1807125596 Tokyo KYODO in English
1146 GMT 18 Jul 96

[FBIS Transcribed Text] Tokyo, July 18 KYODO — Finance Minister Wataru Kubo on Thursday declined to say whether a planned investment fund will produce enough returns to completely offset the taxpayers' burden in the liquidation of failed "jusen" mortgage lenders.

"I cannot definitively say" whether the new fund will take over all of taxpayers' financial commitments, Kubo told a session of the House of Representatives' ad hoc committee on financial problems.

The government is urging financial institutions to form an investment fund of around 800 billion yen to offset the 685 billion yen charged to taxpayers for jusen liquidation. The fund will be invested for a period of 15 years.

Kubo, meanwhile, said he had called for the Bank of Japan (BOJ) to contribute to the fund in a formula separate from the one for private financiers.

"I have asked the Governor (of the BOJ) to consider whether the central bank can help stabilize the financial system and protect depositors" by contributing to the fund, he said.

The Finance Ministry wants the central bank to put up 100 billion yen for the fund.

**Japan: Farm Financial Institutions Set 'Jusen'
Contribution**

OW1807130696 Tokyo KYODO in English
1214 GMT 18 Jul 96

[FBIS Transcribed Text] Tokyo, July 18 KYODO — Agricultural financial institutions agreed Thursday to provide 150 billion yen to finance part of an investment fund in the government's scheme to liquidate the failed "jusen" housing loan companies, farm officials said.

Top officials at the farm financial industry, including the Norin Chukin Bank, the core institution for agricultural cooperatives, and the Central Union of Agricultural Cooperatives, said the industry formally unveiled the plan during a meeting with the three ruling coalition parties.

The Finance Ministry plans to create the investment fund of around 800 billion yen as a way to offset 685 billion yen in taxpayers' burden in the mortgage-firm liquidation plan.

The coalition parties had asked the farm organs, the largest creditor group for housing loan companies, to put up 150 billion yen on condition that they would receive 60 billion yen in unpaid interest earned on their lending to such companies during the January-March period.

**Japan: Financiers Finalize Commitments to 'Jusen'
Fund**

OW1807144496 Tokyo KYODO in English
1437 GMT 18 Jul 96

[FBIS Transcribed Text] Tokyo, July 18 KYODO — Financial circles have almost finalized their commitments to a planned 900 billion yen investment fund to offset the taxpayers' burden in liquidating failed "jusen" mortgage lenders, financial sources said Thursday.

Agricultural financial institutions, including core organization Norin Chukin bank, decided at an executive meeting the same day to put up 150 billion yen for the investment fund.

Private financial institutions, excluding insurance companies and brokerage houses, have also decided how to split 650 billion yen in their commitments to the fund, banking sources said.

Of the 650 billion yen, 359 billion yen will come from 10 major commercial banks, 87 billion yen from three long-term credit banks and 127 billion yen from seven trust banks, the sources said.

The planned fund will be invested in government bonds and other vehicles for 15 years to generate money to help offset the 680 billion yen taxpayers' burden the government calculates for financing losses stemming immediately from jusen liquidation.

The fund, together with a separate one for financing future losses from the jusen liquidation, paves the way for establishing a vehicle to take over loans from jusen firms and recover them.

The loan recovery vehicle will be set up as early as July 26 and begin operations possibly in early October, financial sources said.

Among other financial institutions, the brokerage industry will cough up a total of 21 billion yen for the fund, the Japan Securities Dealers Association said Thursday.

Life and nonlife insurance companies have already decided to provide a combined 45 billion yen.

The Bank of Japan, which is being asked to contribute some 100 billion yen to the fund, is expected to decide on its financial commitment early next week, according to financial sources.

Japan: MOF Official Against More Public Works Projects in FY97

OW1807121496 Tokyo KYODO in English
1028 GMT 18 Jul 96

[FBIS Transcribed Text] Tokyo, July 18 KYODO — Vice Finance Minister Tadashi Ogawa showed opposition Thursday to an increase in public works projects and other investment-related expenditures in fiscal 1997.

The Ministry of Finance (MOF) will set "strict" guidelines for fiscal 1997 budgetary appropriations requests, based on a policy endorsed recently by the government and the tripartite ruling coalition, Ogawa said at a news conference.

The basic policy calls for curbing all expenditures, including investment-related expenses, due to Japan's strained finances, he said.

With general elections looming on the horizon, liberal democratic party (LDP) members have been calling for increasing public works projects-related expenditures.

The construction and civil engineering sectors are long-time supporters of the conservative LDP, the largest coalition group.

Ogawa was also opposed to requests from some coalition members that special consideration should be paid to expenditures for defense and Official Development Assistance (ODA) amid an increase in dollar-denominated expenses stemming from the yen's recent decline against the U.S. currency.

Budgetary spending should not be considered from only one factor, Ogawa said.

The ministry will set spending guidelines, taking into account all economic conditions and policy priorities, he said.

Japan: Government, Coalition To Raise Investment-Linked Spending

OW1907060296 Tokyo KYODO in English
0549 GMT 19 Jul 96

[FBIS Transcribed Text] Tokyo, July 19 KYODO — The government and the three ruling coalition parties agreed Friday to increase public works projects and other investment-related expenditures by 1.5 to 1.6 percent in fiscal 1997 over the fiscal 1996 budget, government sources said Friday.

But they agreed to cut ordinary expenditures by over 10 percent for the fiscal 1997 budget, which starts next April 1, the sources said.

They also agreed that the government will increase a special disbursement for public investment to 500 billion yen from the 300 billion yen for the previous year and that another disbursement of 300 billion yen will be set aside for the structural reform of the economy, the sources said.

They said the coalition decided to raise investment-related expenditures because of expected higher costs after next April's rise in the consumption tax to 5 percent from the current 3 percent.

Later, they will discuss other budgetary items, including defense spending and official development assistance (ODA) costs, the sources said, and the government will formally decide those items July 30.

Chief Cabinet Secretary Seiroku Kajiyama, Finance Minister Wataru Kubo and Economic Planning Agency Director General Shusei Tanaka exchanged their views early Friday as to the ceiling for the fiscal 1997 budget.

The three ministers met representatives of the coalition parties and reached the agreement, the sources said.

Japan: Kubo: Government, Coalition To Cap Investment Expenditures

OW1907083596 Tokyo KYODO in English
0724 GMT 19 Jul 96

[FBIS Transcribed Text] Tokyo, July 19 KYODO — The government and the tripartite ruling coalition, faced with strained national finances, agreed Friday to increase fiscal 1997 investment-related expenditures by 1.5 to 1.6 percent, Finance Minister Wataru Kubo said.

If a rise in construction or other costs stemming from a hike in the consumption tax from the present 3 percent to 5 percent in April 1997 is excluded, the amount of public works projects and other investment-related expenditures will be unchanged from the initial fiscal 1996 budget, Kubo said at a news conference.

The cap on investment costs is part of guidelines set by the government and the ruling parties for budgetary appropriations requests for fiscal 1997, which starts next April, he said.

In the past several years, investment-related expenses enjoyed increases of about 5 percent to help Japan get out of the economic doldrums.

Kubo said the spending request guidelines also call for reducing goods purchase and operational costs other than general administrative expenses by more than 10 percent. In fiscal 1996, such expenditures were trimmed by 10 percent.

The guidelines were agreed upon by three cabinet ministers and three coalition leaders in charge of making policies.

The three ministers are Kubo, Chief Cabinet Secretary Seiroku Kajiyama and Economic Planning Agency chief Shusei Tanaka. They were earlier selected by Prime Minister Ryutaro Hashimoto as coordinators for setting the spending request guidelines.

After setting upper limits on requests for spending items, such as defense and Official Development Assistance (ODA) costs, the government plans to formalize the fiscal 1997 spending ceilings at a cabinet meeting July 30.

Kubo said the government will give special consideration to steps necessary to implement important policies, while curbing growth in the overall amount of investment-related expenditures.

Fiscal 1997 investment expenses will include a special spending quota totaling 500 billion yen to disburse funds to priority public works projects, Kubo said.

The special disbursement is larger than the 300 billion yen earmarked for fiscal 1996, he said.

Kubo also said the government will introduce a new spending quota worth 300 billion yen to allocate funds for scientific and technological innovation and other measures to promote structural reforms in the Japanese economy.

To secure fiscal resources for the special disbursement, the government should even review spending items which have been so far exempted from spending cuts, such as defense and ODA, he said.

Kubo also said the government will give special consideration to expenditures for the relocation of U.S. military bases in the southernmost prefecture of Okinawa, while closely watching developments in Japan-U.S. talks on the issue.

Government ministries and agencies will submit fiscal 1997 budgetary appropriations requests at the end of August, based on their ceilings set by the government, and the Finance Ministry will compile a draft budget by the end of December.

The Finance Ministry is seeking to make fiscal 1997 the first year of its fiscal rebuilding.

By one measure, Japan's fiscal condition is the worst among the group of seven industrialized countries.

Japan's outstanding balance of government bonds is estimated to reach 240 trillion yen at the end of next March, equal to nearly 50 percent of the nation's gross domestic product (GDP).

Japan: GSDF Intelligence School Instructor on Foreign Languages

*OW1907071596 Tokyo RIKUSEN KENKYU
in Japanese Jul 96 pp 97-112*

[Article by Lieutenant Colonel Akihito Haruki, instructor, Intelligence School, Ground Self-Defense Force. Article, in the "Education Corner" column, originally titled "Present State, Future of Language Education; For the Information Age." Part of special feature issue on information/intelligence issues.]

[FBIS Summary] In the article's foreword, the author writes that few members of the Ground Self-Defense Force [GSDF] can really use English fluently, even four years after the GSDF began participating in international peacekeeping operations [PKO]. He then suggests an approach to the problem from his standpoint as a language instructor.

The author proceeds to trace the history of Japan's experience with foreign languages from the encounter with written Chinese in the 6th century. In the postwar period, the role of English in the GSDF has broadened from its limited use by intelligence officers and those involved in "the introduction of weapons" from the United States to a broader due to joint training with the U.S. military since 1980 and participation in international PKO activities since 1992. "Needless to say," according to the author, English is a means to more effective training and interoperability with the U.S. military. Regarding PKO activities, there is a need for more training in UN official languages other than English.

The author then notes that the GSDF Intelligence School, in addition to English, also teaches Russian, Chinese, and Korean as the languages of neighboring countries. The importance of those languages derives from that of Russia, China, Taiwan, as well as both North and South Korea for Japan's security.

One goal in training GSDF personnel in foreign languages, according to the author, should be to produce individuals capable of expressing themselves. To that end, English courses would include both Japanese and world history, culture, and security issues. Such training would give GSDF personnel a "face," or an ability to hold their own in discussions with foreigners with whom they came into contact. Another of the author's aspirations for future GSDF language instruction in the information age of the 21st century is to see the principal intelligence officers attain a level of language proficiency to grasp readily the meaning of foreign materials themselves without waiting for a translation. Finally, the author suggests language instruction for the information age, with the rise of the Internet, involves an emphasis

on written information rather than speaking and hearing ability. (endall) jul

Japan: Commentator Analyzes Political Situation

962B0055A Tokyo Seikai in Japanese Mar 96
pp 32-33

[By Hisayuki Miyake, political commentator: "Let Me Tell You Something, Hashimoto Cabinet! Dissolution and General Election by This Summer: After the Election—a Cabinet With a Clear Long-Term Vision for the 21st Century"]

[FBIS Translated Text]The Keys to the Cabinet Are Mr. Kubo and Mr. Kajiyama

The media announced the resignation of Prime Minister Murayama early in January as if it were unexpected, but the executive committee of the Liberal Democratic Party probably expected it to some degree. The reason I suppose so is that there have been some signs.

One sign was the manner in which Murayama dealt with President Clinton's canceling of his scheduled attendance at the APEC conference held last November in Osaka. That is to say that though the Clinton administration proposed another meeting on 3 January, Murayama declined, as the schedule was full due to annual events already planned at the imperial palace.

Furthermore, he canceled his trip abroad to India and Pakistan scheduled for before the upcoming Diet secession because of the Social Democratic Party's convention.

With these kinds of occurrences, it seemed clear by January that there was something going on. Whether it was on 5 January or not is besides the point.

However, I think the Liberal Democratic Party Executive committee sensed that Murayama was serious about quitting this time. In light of the situation, it seems that the YOMIURI SHIMBUN newspaper report on 31 December that "after the budget passes in April, the scepter of power will be passed to Mr. Hashimoto" was leaked by a Liberal Democratic Party member source in the government. Also, when the Diet is called into secession again, Murayama and Takemura will inevitably be burned at the stake due to the "jusen" [housing loan companies] problem. It seemed there was a consensus of sentiment between Murayama and Takemura that it would be a good time to get out of town.

At any rate, the Hashimoto administration took office, but there are those who harshly claim it is a cabinet composed to "straighten out the various money problems," and that definitely has some element of truth. However, the backbone of this cabinet, consisting of the minister

of finance and the chief cabinet secretary, is in no way bad.

Mr. Kubo was appointed to the office of Minister of Finance, who will bear the burden of correcting the "jusen" problem, making it difficult for the New Frontier Party to find fault. That is because Mr. Kubo has no association with the "jusen" problem whatsoever.

In addition, considering the New Frontier Party's political views for the future and the fact that nobody knows what the results of the election will be, the cabinet wants to use Mr. Kubo and his people as an "insurance policy" of sorts.

Mr. Kubo was the person seeking for a means of reconciliation right up until the time the Social Democratic Party decided to break with the coalition party. This means that the New Frontier Party wants to avoid attacking Mr. Kubo so as not to make an enemy of him.

Moreover, Mr. Kubo showed what type of finance minister he is when he submitted opposing proposals to the consumption tax and endured the Liberal Democratic Party's fierce attack, and in doing so, he showed so much skill as an articulate debater as to be highly praised by former Prime Minister Takeshita.

Therefore, I do not believe Finance Minister Kubo will show any faults. Of course, it is still to be seen whether Kubo will be able to accomplish long term tasks such as the rebuilding of our nation's fiscal situation or reestablishing financial order, but he will be able to overcome the obstacles presented by the Diet for the time being.

Meanwhile, the person who can take on the role of Mr. Gotoda, who commanded the respect of officials, the cabinet, and even some members of the Liberal Democratic Party as the secretary of the Nakasone cabinet is Secretary Kajiyama.

Kajiyama's strength is that he is not greedy; he has no greed for this post or that post. Also, whatever you say, he has been present for many a battle. In any case, his "stature" is different compared to the Mr. Kato or Mr. Yamasaki type.

Therefore, you can say Mr. Kajiyama holds the key for how long the Hashimoto cabinet will last. Or, turning things around, how long can Hashimoto keep step with Mr. Kajiyama?

A Real Cabinet After the Election

Whether they like it or not, what is waiting for the cabinet is the dissolution of the cabinet and the general election. In the Liberal Democratic Party, there are those who are thinking of putting together next year's budget

and staying in office until the end of their term, but it is a common idea that the cabinet will be dissolved between early April and summer, when they will pass this year's budget.

Looking at the political schedule of events, although there are those who subscribe to the idea that the dissolution will come after the 27, 28 June summit in Lyons, since the Diet session is expected to end on 19 June, the majority views that dissolution of the cabinet will be before the close of the session.

And that is the way it should be. In any case, if the cabinet does not receive the scrutiny and stamp of approval gained through the election process, it has no legitimacy. For this reason also, the cabinet must receive the judgment of the populace as is the regular procedure in a constitutional government. The present situation is unreasonable as the cabinet has changed four times since the previous election. Moreover, there has not been an election held for this cabinet.

So, can the Liberal Democratic Party win this election? That depends on the voting rate. They lost to the New Frontier Party in last July's House of Councilors' election, but the reason for that was low voter participation. If the voting rate is low, the Soka Gakkai's collective vote, which is presently an issue, would have a definite effect on the outcome.

Looking back on past elections for the House of Representatives, the voter participation rate was around 70 percent. With this rate, the Liberal Democratic Party should win (incidentally, last July's voter participation for the House of Councilors' election was 44.5 percent).

Conversely, if the voter participation is around 50 percent, the possibility would be high that the Liberal Democratic Party will be beaten by the New Frontier Party as in the election for the House of Councilors. Therefore, the point is that whether the Liberal Democratic Party can win or not depends on how high the voter participation is. Also it depends on how much the Liberal Democratic Party can stifle Soka Gakkai's political activities with the Basic Law on Religion, that is to say the separation of politics and religion they are expected to propose.

Also important is how much the Liberal Democratic Party can keep the New Frontier Party at bay in the Diet. Or, if the movement to stifle Soka Gakkai's political involvement ends without effectively barring the group from participating in political activities, Soka Gakkai would feel cornered, believing the New Frontier Party will not win, and begin to frantically support the New Frontier Party in the election.

It is expected that if the Liberal Democratic Party does not post an overwhelming victory in the general election, there would be a considerable increase in the fluidity of the political situation. However, it is another matter if the Liberal Democratic Party were to post an overwhelming victory.

Kajiya's basic idea is that of an alliance of conservative parties. Also, after the selection of party heads last year, Mr. Hada formed a faction (study group) in the New Frontier Party.

Here it is impossible to deny talk of a "union" excluding Mr. Ozawa and former Komeito. This is also the intention of former Prime Minister Takeshita.

Setting aside talk of repeated reorganization of the political world following elections, if results of the election are the stabilization of the Hashimoto cabinet, I would like to expect that it would develop into a cabinet with a well thought-out long-term vision.

The Murayama administration received praises in its own way, but more precisely, the Murayama administration was an administration concerned with the cleansing of the past. Also, it can not be denied that the Kaifu and Miyazawa administrations were haphazard cabinets at a loss as to how to deal with the issues. Taking a look at the 21st century, faced with the hollowing out of industry, the aging of society, etc., Japan will face many difficult problems.

Moreover, from an international standpoint, with the food supply issue and further deterioration of the environment which accompany an increase in the global population, Japan cannot avoid demands to make greater international contributions.

The 21st century is soon approaching. We must make known to the world our national vision based on our views of these future issues. This is the mission of a genuine cabinet.

That is to say, if Hashimoto intends to put together a genuine cabinet as a main-stream conservative, I would like to see him develop a cabinet that will face the world and make clear their long-term visions.

Japan: Researchers To Test Matsushita Internet Encryption System

*OW1907083396 Tokyo KYODO in English
0810 GMT 19 Jul 96*

[FBIS Transcribed Text] Osaka, July 19 KYODO — Matsushita Electric Industrial Co. said Friday it has signed an agreement to allow a research group to use its encryption technology to develop a system to protect the confidentiality of data on the internet.

Under the two-year accord, Matsushita said it will provide its "elliptic curve cryptography" software to the group, from 39 universities and 47 companies, for work on the "wide project," or widely integrated distributed environment.

The group is led by Jun Murai, an associate professor at Keio University. It has been trying to develop a new computer environment on the basis of a computerized telecommunications technology.

The group will test the envisioned security system on an intra-group computer network called the Wide Internet during the contract period with Matsushita, the company said.

The experiments come at a time when various companies are trying to develop electronic commerce system that can guarantee the confidentiality of data on the internet.

Through the project's experiments, Matsushita aims to boost the applicability and effectiveness of its encryption technology and the planned new data security system, company officials said.

The encryption technology allows computer network users to encrypt data with a "public key" shared by group members. After receiving data through the network, each participant can decode it with individual "secret keys," the officials said.

Both keys consist of 50-digit numbers, they said, and even with the help of the most advanced computers, outsiders with no access to the keys would not be able to decrypt the confidential data.

North Korea

DPRK: Foreign Attaches View U.S. 'Atrocities' at Museum

SK1907040396 *Pyongyang KCNA in English*
0313 GMT 19 Jul 96

[FBIS Transcribed Text] *Pyongyang, July 19 (KCNA)* — Economic and commercial attaches of foreign embassies in Pyongyang visited the Sinchon Museum in South Hwanghae Province on July 18.

They heard an explanation about materials and evidences on bestial atrocities committed by the U.S. imperialists in Sinchon during the Korean war.

They saw the air-raid shelter of the former Sinchon County party committee, graves of 400 mothers and 102 children and warehouses in the Pamnamu village in Wonam-ri, Sinchon County.

DPRK: Japan's Diplomacy 'Playing Into' Kim Yong-sam's Hands

SK1907051796 *Pyongyang Korean Central Broadcasting Network in Korean*
1224 GMT 18 Jul 96

[Commentary by Kim Ho-sam: "Japanese Diplomacy Is Playing Into the Hands of the Puppets"]

[FBIS Translated Text] Whether a country has any political backbone is judged by whether that country abides by sovereignty in politics. Sovereignty is expressed through independent diplomacy according to the relationships among countries.

Successive Japanese Governments dreamed of becoming a big political power matching that of a big economic power, and they called for independent diplomacy. The current Japanese Government is also professing this.

However, the current Japanese authorities are acting completely different from what they are actually professing. This can be clearly seen in Japan's policy toward Korea. According to a foreign news report, during a meeting with the South Korean puppets on 15 July, a ruling party delegate of the Japanese ruling coalition said Japan will cooperate to realize the four-way talks as demanded by the puppet foreign minister. It was also reported that he asked the puppets when it would be appropriate to hold DPRK-Japan talks to normalize diplomatic relations.

Of course, this is not the first time such a subservient attitude by Japan toward the South Korean puppets was carried out. During the G-7 [Group of Seven] summit meeting held in France in late June, the Japanese authorities justly relayed the request made by traitor Kim Yong-sam at the Cheju Island talks and reflected the issue of the four-way talks in the chairman's statement at the G-7 summit meeting. During the meeting, he even urged us to hold North-South dialogue. Such facts clearly show how much the Japanese Government is crazily playing into the hands of the puppets and playing the role of servant.

The world's fair public opinion cannot refrain from being astonished at such subservient measures and submissive diplomacy by Japanese authorities. It is no coincidence that Japan's social public opinion denounces government authorities for assuming such a low diplomatic posture in carrying out such acts.

As everyone knows, the issues of North-South dialogue and the four-way talks are not issues for Japan to interfere in. North-South dialogue is an internal issue that must be discussed and resolved by North and South

Korea. There is no justification at all for Japan to interfere here.

It is the same with the four-way talks. In the proposal for the four-way talks put forth by Clinton, Japan was not mentioned at all. Nevertheless, for Japan, which is not even on the list of participants in the talks, to impertinently interfere by running amok here and there, babbling that the four-way talks must be carried out, is indeed an indiscreet act, like an uninvited guest visiting someone's house and interfering in all affairs.

Such an indiscreet act by Japan is an extension of the vicious hostile policy toward our Republic and a concrete expression of a one-sided policy toward South Korea. Why are the Japanese authorities exerting all their efforts in interfering in someone else's affair, even receiving the contempt of the world's peoples? The dark intention lies in the fact that Japan is trying to provide a favorable international environment to secure a permanent seat on the U.N. Security Council (UNSC) by demonstrating a so-called international role.

In other words, realizing the four-way talks by any means is meant to show Japan's performance in resolving international disputes, so that it can receive support from U.N. member countries. However, this is a great miscalculation. Regarding North-South dialogue and the four-way talks, however the Japan authorities move by becoming the hands and feet of the traitor Kim Yong-sam, they will by no means achieve their intention.

Whatever anyone says, we will take a national independent stance and deal with this matter by taking the initiative. Japan must no longer play the role of bugler for the South Korean puppets in the international arena. The world's fair public opinion looks down on Japan, which is aiming to become a big political power and secure a permanent UNSC seat, for becoming a shock brigade of the Kim Yong-sam ring and playing into its hands, being only a mere colonial puppet.

If Japan acts as it does now, it can by no means ever become a big political power, let alone a small political power. If Japan truly wants global peace and security, it should not demonstrate its international role by carrying out a one-sided policy toward South Korea as now, but play an international role from a fair position in accordance with the demand of the U.N. charter. To do this, Japan must truly repent of the past crimes it committed against our people and make apologies and compensation. It should also throw away the hostile policy toward our Republic and no longer interfere in Korea's reunification.

If it continues to cling to a submissive diplomacy by playing into the hands of the Kim Yong-sam ring, it

will only cloud Japan's image all the more. Independent politics in conformity with the interests of the Japanese people and independent diplomatic activities that do not offend the other side are indeed the road Japan must move toward at this time.

DPRK: ROK Denounced for Protecting Japanese From Koreans

*SK1907093996 Pyongyang KCNA in English
0734 GMT 19 Jul 96*

["Sycophantic Treacheries of Pro-Japanese Stooge" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — The Kim Yong-sam puppet clique, upset by the ever-mounting anti-Japanese sentiment of the South Korean people, reportedly adopted a special measure for security, stationing armed police around the Japanese Embassy in Seoul and the Japanese Consulate General in Pusan on July 13.

According to foreign news reports, the Japanese officials, tourists and businessmen in Seoul are recommended to take precautions against emergencies in the streets and control of public order is intensified at the airports and hotels used by the Japanese.

This is one more base flattery to the Japanese reactionaries who committed irrevocable crimes against the Korean people in the past; it shows that the Kim Yong-sam group are a herd of vicious pro-Japanese traitors.

DPRK: ROK Denounced for 'Dangerous Playing With Fire'

*SK1907090496 Pyongyang Korean Central
Broadcasting Network in Korean
1223 GMT 17 July 96*

[Commentary by Yun Pyong-son: "Dangerous Playing With Fire"]

[FBIS Translated Text] Recently, the South Korean puppets have been relentlessly conducting northward invasion-simulated war exercises, leading the situation on the Korean peninsula to the brink of war. As has been reported, the Kim Yong-sam puppet clique carried out a massive combined landing exercise on the East Sea [Sea of Japan] coast with U.S. imperialists on 15 July. With fierce firing support from the Navy and Air Force, they landed on the opponent's side, expanding inland. There is no doubt that this war exercise, executed under a real war situation, was a preliminary war aimed at an abrupt invasion into the northern half of the Republic. Even the puppets made a great fuss over this, saying these exercises, which the puppet 1st

Marine Division and U.S. Marine expeditionary forces took part in, displayed the ability of their combined strategy, which was supposed to unfold as a scorched-earth operation [chotohwa chakchon], hitting hard and paralyzing major objects in case of emergency. Before this, the puppet Army carried out a one-week fanatic war exercise for northward invasion, making excuses that this was to cope with a surprise attack by the North. The puppet Navy also conducted a three-day combined anti-submarine exercise with U.S. naval vessels, mobilizing destroyers, anti-submarine patrol planes, and fighters. These daily war exercises in the South Korean sky and on its land and sea are extremely dangerous, playing with fire in light of its content, character, and aspect, arousing our due precautions.

As everyone knows, we designated this year one of peace and great national unity along with all the people, who are anxious about the fate of nation and the country, and we are mounting every effort to achieve national reconciliation and unity. Even under the current grave situation, which has become strained to the breaking point, our patient efforts to establish a new peace mechanism on the Korean peninsula have won great support and sympathy from a broad range of people around the world. Of all the occasions, the puppets chose this time to carry out a series of aggressive war exercises eyeing an invasion of the North, talking about an attack on the key part, a scorched-earth strategy, and the like. This is simply an open challenge and provocation against us. Considering that war preparations for northward invasion are accelerating to a peak, this is true. The southern area of the DMZ has turned into a complete armed zone and a starting point for attacking the North, while the puppet armed forces have been deployed at the front, assuming a complete combat position.

The Kim Yong-sam ring presented to the public the Five-Stage Operation 5027, a operational plan for northward invasion, and reshuffled the puppet armed forces, as well as its commanding system, in order to enhance its overall attack ability.

Meanwhile, even puppet administrative organizations and ordinary people have been mobilized for these war exercises; this shows their preparations for northward invasion are taking place not only in the areas near Military Demarcation Line [MDL], where both sides' armed forces are fiercely standing against each other, but also in inland, far from the MDL. This aggressive playing with fire conducted at the same time as these successive phenomena, which can be seen only on the eve of war fire, proves that the puppets' war preparations for northward invasion have reached the brink of a provocation. The only thing left for the Kim Yong-sam ring,

furnished with all the necessary war preparations, is to decide when to pull the trigger [manbangui chonjaeng chunbirul kachugoinnun kimyongsam iltangege issoso ije namunirun mulijogin chongsongul onje ulligennunga hanungosimnida]. The puppets have become isolated to face a crisis at home and abroad, standing at an dead end with the destitute reform plans they used as a ruse and with the continuous failure of internal and external policies. They are trying to find a way out of the crisis through a war of northward invasion. The Kim Yong-sam ring wants to provoke a war of northward invasion in collusion with outside forces without fail, to get rid of the crisis, and to achieve its ambition to reunify the country by defeating communism by force. Due to this dangerous playing with fire by the U.S. imperialists and South Korean puppets, such an extremely tense situation is being created on the Korean peninsula. We do not want war, but do not fear it. It is our constant position to answer force with force, and war with war. If the Kim Yong-sam ring forces us to carry out war in collusion with outside forces, our People's Army and people will rise like a mountain to cruelly smash the infiltrators and eradicate the source of war from this land. To light a fire on us is a foolish act, like running into a fire with wood. The Kim Yong-sam clique should clearly be aware that it can only gain death and destruction from war provocations, and it should behave discreetly.

DPRK: ROK 'Arms Buildup Maneuvers' Against DPRK Decried

SK1807143096 *Pyongyang Korean Central Broadcasting Network in Korean*
0754 GMT 17 Jul 96

[Unattributed talk: "Provocative Arms Buildup Maneuvers Aimed at Northward Invasion"]

[FBIS Translated Text] Despite a world trend aspiring toward peace, the South Korean puppets are more hellbent on provocative arms buildup maneuvers aimed at a northward invasion, thus aggravating the situation on the Korean peninsula.

Next year, the South Korean puppets are going to newly buy or develop various lethal equipment, including ultramodern missiles, anti-artillery radars, and a pilotless reconnaissance plane, on the pretext of deterring someone else. In actuality, this is a bid to deploy them for actual war. It is an example of their provocative arms buildup maneuvers.

For this, the puppet Defense Ministry is going to allot funds, 21.8 percent more than this year, to purchase war equipment for next year's defense budget.

This reckless arms buildup maneuver by the Kim Yong-sam group is an intolerable crime further aggravating the

situation on the Korean peninsula and driving all fellow countrymen into the calamity of a new war.

As is known to all, South Korea is filled with weapons of mass destruction, including U.S. weapons. Because of this, South Korea has been reduced to an extremely dangerous warehouse of murderous weapons, with the highest density of lethal weapons deployment anywhere in the world.

Moreover, if U.S. forces in Japan and U.S. troops stationed in the Pacific, which maintain a mobilization posture, anticipating military operations on the Korean peninsula, and if armed forces on the U.S. mainland, which will be deployed in time of emergency, are taken into account, the total aggressor forces are indeed immeasurably enormous.

Nevertheless, the traitorous Kim Yong-sam group is continually introducing lethal weapons and military equipment intended to kill fellow countrymen, while raving about someone else's fictitious threat of a southward invasion and the theory of a balance of armed forces.

With the beginning of this year, the Kim Yong-sam group brought T-31 anti-submarine patrol planes from the United States, and asked the United States to sell \$200 million worth of weapons and equipment, including missiles to be used by naval vessels.

Moreover, some time ago, the Kim Yong-sam group developed a new type of gun with a range of 40 kilometers. In addition, in early December it decided to organize a new combat fighter brigade of the puppet Air Force in South Chungchong Province. Next year, the Kim Yong-sam group is going to carry into effect its plan for a drastic increase in its naval forces, including the development of a light aircraft carrier, doing so ahead of their original schedule.

The rascals' frenzied arms buildup maneuvers clearly prove that the Kim Yong-sam group in South Korea has already assumed a northward war of aggression as an established fact.

The puppets went so far as to make such violent remarks as noting that resolving the issues between the North and South could be possible only through a military solution. Thus, they showed dangerous military moves seen only on the eve of war.

Fully armed combat divisions have been deployed in the advance area along the Military Demarcation Line, and war exercise commotions have been staged against us every day. Moreover, even the operational plan for a northward invasion, the so-called five-stage Operational Plan 5027, has been undisguisedly made public.

Today, all fellow countrymen, having designated this year as the year for peace and great national unity, are vigorously seeking national reconciliation, unity, and reunification.

Nevertheless, the Kim Yong-sam group, going against the fierce trend of the times, made violent remarks which even the previous military dictators would not dare make, saying the idea of simply regarding the North as our fellow countrymen is harmful to security. Thus, the Kim Yong-sam group is frantically running amok with arms buildup maneuvers to instigate North-South confrontation and to harm fellow countrymen.

The Kim Yong-sam puppet clique is a group of the most vicious separatists and warmaniacs who are not at all interested in the destiny of the nation, but who only run amok with war maneuvers. They are national traitors.

We are keenly watching every movement of the Kim Yong-sam group, which frantically runs amok with arms buildup maneuvers aimed at militarily stifling us.

The reckless arms buildup maneuvers by the Kim Yong-sam group are merely a death frenzy by those who are falling into ruin. They will only expedite their self-destruction.

The South Korean puppets should discard the attempt for a northward invasion and immediately stop their provocative arms buildup maneuvers.

If the Kim Yong-sam group continues its arms buildup and advances along the path of provoking a war of northward invasion while playing with the fire of war, our people and People's Army will sternly punish the group of vicious nation-selling traitors and betrayers.

DPRK: Paper Denounces ROK's Purchase of Military Planes

*SK1907035496 Pyongyang KCNA in English
0336 GMT 19 Jul 96*

["Bellicose Kim Yong-sam Group Urged To Act With Discretion" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — The bellicose Kim Yong-sam group recently staged military manoeuvres, including "large-scale joint landing exercises" and "joint anti-submarine exercises" together with the U.S. imperialists. And they are reportedly trying to purchase U.S.-made F-15 fighter planes and early warning planes as part of what they call "Programme for Reinforcement of Air Force".

NODONG SINMUN today, commenting on this, says: We take a serious note of the South Korean warlike forces, who are hell-bent on war gamble and arms

buildup after destroying the armistice agreement and opening to the public "5-Stage 'Operation 5027'", a scenario of war against the northern half of Korea.

The analyst further says:

The frantic war exercises of the Kim Yong-sam group are an unbearable challenge to and provocation against us who are showing all sincerity and making every possible effort to ease acute politico-military confrontation and open an epochal phase for peace and peaceful reunification on the Korean peninsula.

It is our revolutionary quality to punish the provokers a thousandfold. The Korean people and People's Army are following with vigilance the rash act of the Kim Yong-sam group who are watching for a chance to invade the northern half of Korea in league with outside forces. And they are in full readiness to annihilate the enemies at one stroke, if the latter provoke the former. We warn the bellicose Kim Yong-sam group once more to cool their head overheated with war fever and act with discretion.

DPRK: CPRF Decries ROK for 'Frantic War Exercises'

*SK1907034196 Pyongyang KCNA in English
0318 GMT 19 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — The secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] published its Information No. 721 Thursday denouncing the Kim Yong-sam group for their frantic war exercises against the northern half of Korea.

The Kim Yong-sam group have openly prattled "those in the North should be treated as enemy, not as fellow countrymen" and "the issue of inter-Korean relations can be solved only by means of military strength," and are staging provocative war exercises to attack the North almost everyday, the information noted, and said:

This tells that their war moves have reached the line of danger.

The South Korean puppets must immediately stop the dangerous war provocations which may impose irrevocable calamities upon the entire fellow countrymen.

If they unleash a new war, with the help of outsiders, for their personal comfort and greed for power and in disregard of the destinies of the country and the nation, they will die in the flames set by themselves and face a stern punishment by the fellow countrymen.

DPRK: Kim Yong-sam Said 'Defender of the Kwangju Murderers'

*SK1907094796 Pyongyang KCNA in English
0721 GMT 19 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — The Kim Yong-sam group set free on July 16 Yu Hak-song, Hwang Yong-si and Yi Hak-bong, those related to the December 12 incident and the May 18 Kwangju massacre, on the plea of the "expiration of the period of imprisonment for trial", according to the Seoul-based Radio No. 1.

This move reveals once again that the Kim Yong-sam group is the defender of the Kwangju murderers.

DPRK: ROK Workers' Struggle for 'Existence' Gaining

*SK1907094596 Pyongyang KCNA in English
0727 GMT 19 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — Trade unions of more than 170 enterprises turned out in a struggle for higher pay as of the middle of May this year, an increase of above 18 percent as against the same period last year, according to a South Korean newspaper report.

This shows that the struggle of the workers for existence has recently been gaining momentum in South Korea.

DPRK: Yi Chong-ok Meets Thai Palang Dharma Party Delegation

*SK1907095896 Pyongyang KCNA in English
0945 GMT 19 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — Vice-President Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea, met and had a talk with the visiting delegation of the Palang Dharma (Righteous Force) Party of Thailand led by its deputy leader Krasae Chanawongse [spelling of name as received] at the Mansudae Assembly Hall today.

DPRK: Pyongyang Textile Combine Meeting Marks Cuban Amity

*SK1907040796 Pyongyang KCNA in English
0322 GMT 19 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — A meeting with the Cuban Embassy officials was held in the Pyongyang textile combine on Thursday to mark the opening of the month of solidarity with the Cuban people.

Cuban Ambassador to Korea Jose Ramon Rodriguez Varona addressed the meeting on the approaching 43rd anniversary of the attack on Moncada barracks.

Participants vowed to further consolidate and develop the fraternal amity and unity between the peoples of the two countries based on comradely friendship and intimacy between the great leader President Kim Il-song and the supreme leader of the Cuban revolution Comrade Fidel Castro Ruz, and to remain brothers and comrades-in-arms in the common struggle against imperialism and for socialist cause.

Before the meeting the ambassador and embassy officials looked around the Che Guevara General Dyeing Workshop associated with the on-the-spot guidance of the great leaders President Kim Il-song and Comrade Kim Chong-il.

DPRK: Yang Hyong-sop Sends Greeting to Colombian Parliamentarians

SK1907103396 *Pyongyang KCNA in English*
0946 GMT 19 Jul 96

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — Yang Hyong-sop, chairman of the Supreme People's Assembly, sent messages of greetings to President of Senate Julio Cesar Guerra Tulena and President of House of Representatives Rodrigo Rivera Salazar [spelling of names as received] on the national day of Colombia.

The messages expressed the belief that the friendly and cooperative relations between the two countries and the two parliaments would develop on good terms and wished them greater success in their work for building independent and prosperous Colombia.

DPRK: Yang Hyong-sop Greets New Ugandan Parliament Speaker

SK1907105096 *Pyongyang KCNA in English*
0948 GMT 19 Jul 96

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — Yang Hyong-sop, chairman of the Supreme People's Assembly [SPA], sent a message of greetings to James Wapak Habulo upon his election as speaker of Parliament of Uganda.

The message expressed the belief that the friendly and cooperative relations between the SPA of the Democratic People's Republic of Korea and the Parliament of Uganda will further expand and develop in the interests of the two peoples and wished him success in his work.

DPRK: Foreign Party Leaders, Officials Praise Kim Chong-il

SK1907094396 *Pyongyang KCNA in English*
0726 GMT 19 Jul 96

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — Foreign friends, seeing the powerful advance of the Korean people, said that Korea is a powerful and prosperous country as it is guided by Comrade Kim Chong-il.

Claudio Campos, general secretary of the Central Committee of the October 8 Revolutionary Movement of Brazil, said that the great leader Comrade Kim Chong-il is making tireless efforts to consolidate and develop socialism of Korea with his outstanding ideological and theoretical activities.

Vladimir Tolstikov, chairman of the Central Council of the Russian Association for Friendship and Cultural Cooperation With the DPRK, said that Comrade Kim Chong-il is a great pioneer of new politics of socialism and a new-type socialist statesman who resolutely negated the old political form, which existed for thousands of years of human history and newly formulated the political philosophy and idea of chuche and put them into practice.

Atsushi Akiyama, advisor of the Yamanashi Prefectural People's Council for Japan-Korea Friendship, stated that his excellency the Great Kim Chong-il is a genuine leader of the people, who finds his pleasure in the happiness of the people.

This is why the Korean people are upholding his leadership with a loyal heart, changing their bitter sorrow at the loss of the respected President Kim Il-song into strength and courage, he added.

Badaye Fayama who had visited the DPRK as head of the military delegation of Burkina Faso had this to say:

The great leader Comrade Kim Chong-il has turned Korea into a strong and prosperous power by consolidating the defence capabilities of the country with his rare intelligence and outstanding commanding art.

Janko Radlovic, minister of development, science and environmental protection of the Federal Government of Yugoslavia, said that the Korean people would emerge victorious as long as they are under the tested and wise guidance of His Excellency Kim Chong-il, the great leader.

DPRK: Foreign Leaders Send Messages to Kim Chong-il*SK1907042896 Pyongyang KCNA in English
0308 GMT 19 Jul 96**[Names as received]*

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — Telegrams were sent to the great leader Comrade Kim Chong-il by Sardar Farooq Ahmed Legari, Pakistani president; Benazir Bhutto, Pakistani prime minister; Yasir 'Arafat, Palestinian president, chairman of the Palestine liberation organization executive committee and head of the National Authority; and Lansana Conte, Guinean president, head of state and commander-in-chief of the Armed Forces; on the occasion of the second anniversary of the death of the great leader President Kim Il-song.

They paid deep respect to President Kim Il-song and affirmed their willingness to make efforts for continued development of cooperative relations between their countries and the DPRK.

Telegrams to him were also sent by general secretary of the Peruvian Communist Party Central Committee Renan Raffo Munoz, chairman of the Communist Party of Germany Hans Wauer, general secretary of the executive committee of the African Party for the Solidarity and Justice of Mali Ibrahima N'diaye and chairman of the for Peace and Socialism- the Communist Workers' Party of Finland Timo Lahdenmaki. [sentence as received]

Meanwhile, Comrade Kim Chong-il received a telegram from the political executive committee of the Socialist Party of Kazakhstan.

DPRK: Kim Chong-il Sends Thanks to Security Forces, Others*SK1907040696 Pyongyang KCNA in English
0320 GMT 19 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to the officers and men of the Kim Chi-tok Unit and the Sin Il-nam Unit of the Korean People's Security Forces and officials of the capital construction headquarters and builders who participated in the construction of the Kumsusan area, the holy land of chuche.

He also sent thanks to officials and working people including the fourth primary organization of the Democratic Women's Union of Korea in Okkye-tong of Haeju City in South Hwanghae Province, the restaurant of western food of the Changgwang service bureau of Pyongyang, Yi Yong-ok, a lecturer of the Korean Folklore

Museum, for setting examples in assisting the People's Army and in contributing to society and the collective.

DPRK: Anniversary of Kim Il-song Death Commemorated Abroad*SK1907081696 Pyongyang KCNA in English
0713 GMT 19 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — The second anniversary of the death of the great leader President Kim Il-song was commemorated in foreign countries.

A memorial service took place at the National House of Culture in Guyana on July 8.

The chairman of the Guyanese National Committee for the Study of Chuche Idea of Comrade Kim Il-song, Robert Williams, said in his address:

"The great leader Comrade Kim Il-song's was a glorious life of the greatest thinker, theoretician and statesman in the world, an ever-victorious iron-willed brilliant commander and the tender-hearted father of the people.

"The immortal chuche idea founded by him has served as the great revolutionary banner in our age.

"His august name and admirable feats will always be kept in the hearts of the Korean people and other progressive people of the world."

Memorial services were also held in India, Nepal and Bulgaria from July 3 to 6.

Meanwhile, seminars on the president's exploits, meetings, retrospective sessions, photo exhibitions, film shows and other events were held by the Zimbabwean Group for the Study of Kimilsongism-Kimchongilism and the Onitsha Group for the Study of Kim Chong-il's Works in Nigeria and in Karachi, Pakistan, the Kim Il-song Institute of Agricultural Science in Guinea, the House of Culture in Cairo and in other countries from June 28 to July 10.

DPRK: Portraits of Kim Il-song Appear Throughout Nation*SK1907083196 Pyongyang KCNA in English
0718 GMT 19 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — A picture of the great leader President Kim Il-song beaming like the sun is seen in all the main streets of the country.

It reminds the people of the president on platforms of squares and meeting halls, by machines at factories and on farming land.

The picture was drawn under deep care of the great leader Comrade Kim Chong-il.

Since the president, their fatherly leader, passed away, the people have missed him sorely.

Reflecting their strong yearning for him, Comrade Kim Chong-il had a portrait of the president beaming like the sun drawn so that his image may be kept deep in their hearts.

On July 19, 1994, when his funeral ceremony took place, this portrait was carried in the van of the procession escorting the hearse. The president in the portrait seemed to say good-bye to the people and hope that they would always emerge victorious and enjoy happiness through generations. Many citizens who took out to the streets and TV viewers bid their last farewell to him, feeling very sad over his passing away.

With the one hundredth day after his death approaching, his portraits were placed in streets throughout the country reflecting the faith and will of the Korean people to hold him in high esteem forever as the eternal sun.

They can see the image of the sun at the Kumsusan Memorial Palace, the sacred temple of chuche, and at factories, rural villages and all other places he visited in his lifetime.

Though they have experienced the biggest sorrow ever in the nation's history spanning 5,000 years, the Korean people have worked hard for the accomplishment of the chuche cause with a high degree of revolutionary zeal and faith, encouraged by his sunny smile.

They are now determined to continue advancing along the road of socialism under the wise leadership of Comrade Kim Chong-il, always keeping the image of the sun in their hearts.

DPRK: Kim Yong-ho Attends Symposium on DFRF Anniversary

*SK1907040896 Pyongyang KCNA in English
0328 GMT 19 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — A symposium was held here Thursday to mark the 50th anniversary of the Democratic Front for the Reunification of the Fatherland [DFRF].

Speaking at the symposium were Kim Yong-ho, vice-chairman of the C.C. [Central Committee], the Korean Social Democratic Party, Kang Yong-sop, chairman of the C.C., the Korean Christians Federation, Kim Kyong-nak, vice-director of the Secretariat of the Committee for the Peaceful Reunification of the Fatherland, and Choe Yang-ho, deputy editor-in-chief of the newspaper NODONG SINMUN.

Describing the course of revolutionary activities of the great leader President Kim Il-song for realizing the cause of united front as the one full of glory during which he successfully carried into practice the chuche-based idea on united front, the speakers explained the feats he had performed for realizing the cause of united front.

They specified President Kim Il-song's idea and theory on the united front as the outstanding ones embodying the chuche idea and as the unique ones that were evolved and enriched on the basis of scientific analysis of the requirement of the developing Korean revolution and the experience and lessons of the local and international movements for united front.

They referred to the uniqueness of President Kim Il-song's idea on the nationwide united front.

It envisages the settlement of the specific national issue, the country's reunification, not aiming at ironing out the class contradictions and replacing the social system.

It is a great political alliance of the entire nation and its duration is indefinite, they noted.

"Now we are faced with an important task to hasten the independent and peaceful reunification of the country by dint of great unity of the whole nation. Attaining the great national unity around the great leader Comrade Kim Chong-il is the decisive guarantee for national reunification," they said.

The speakers called for working hard to implement the "10-point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" advanced by President Kim Il-song under the leadership of Comrade Kim Chong-il.

DPRK: Meeting Marks Anniversary of Hydro-Meteorological Service

*SK1907040496 Pyongyang KCNA in English
0332 GMT 19 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 19 (KCNA) — A meeting was held on July 18 to mark the 50th anniversary of the hydro-meteorological service.

The great leader President Kim Il-song, with a deep penetration into the importance of the hydro-meteorological work in the building of a new country, founded the hydro-meteorological service on July 10, 1946 following the liberation of the country.

Over the past 50 years after its foundation, the service has made great contributions to preventing damage from worldwide abnormal climatic conditions and accelerating socialist construction.

The scientists and technicians of the service creditably created methods of meteorological, hydrological and oceanic forecasts suited to the topographical and geographical conditions of Korea including the forecasts of torrential rains. By doing so, they rendered services to preventing Pyongyang from flood damage, developing agriculture and fishing industry and completing grand nature- transformation projects including the reclamation of tidelands and the West Sea [Yellow Sea] barrage.

A congratulatory message of the Central Committee of the Workers' Party of Korea [WPK] to the officials, scientists, technicians and employees of the service was conveyed at the meeting.

The message noted with high appreciation that over the past 50 years, the officials, scientists, technicians and employees of the service have made remarkable achievements in meteorological, hydrological and oceanic forecasts and scientific researches and contributed to the implementation of the economic policy of the WPK.

Titles of merited scientist and merited estimator were conferred upon scientists and technicians who played a great role in the hydro-meteorological development of the country.

Kim In-kuk, director of the service, delivered a report, which was followed by speeches.

A letter of pledge to the great leader Comrade Kim Chong-il was adopted at the meeting.

DPRK: Talk Elaborates on Superiority of Socialism
SK1907113396 *Pyongyang Korean Central*
Broadcasting Network in Korean
0900 GMT 17 Jul 96

[Unattributed talk: "Socialism Is a Society Which Accords With Men's Independent Nature"]

[FBIS Translated Text] In his classical work, "Socialism Is Science," Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, clearly elucidated that socialism is a society which accords with the independent nature of man.

The great leader Comrade Kim Chong-il has indicated: It is man's way for existence to be active, forming social collectives, and man's independent demands are outstandingly realized only through collectivism. Therefore, the society based on collectivism, that is, socialist, communist society, is a most advanced society which accords with the independent nature of man.

Superiority of a social system is defined according to whether or not that social system accords with the

independent nature of man. In other words, society which defends and realizes the independent nature of man for independence, becomes an advanced society.

Socialism is an advanced society which accords with the independent nature of man because it is a way for man to live, forming social collectives.

Collectivism is the inherent demand of man. Only when men are active and form social collectives, can they maintain and develop their existence. Men can reform and remold nature and society only through collective cooperation among members of society. Men cannot reform and remold them on their individual strength.

In ancient times, men inured themselves to a violent nature and created their living environment and conditions through collective cooperation and united strength. The struggle to do away with social enslavement and inequality in a clan society was also waged through the united strength of collectives.

Collectivism, which is man's way for existence and man's inherent demand, can only be realized in socialist society. In socialist society there is no exploitation and oppression, and all members of the society are equal and free. This is because private ownership has been liquidated and the state's sovereignty and means of production are under the control of the popular masses. Therefore, in socialist society, unity and cooperation are the basis for social relations.

However, in the hostile class society, the society is split into hostile classes, and class confrontation becomes the basis of social relations because the society is based on private ownership and its consequent individualism. Therefore, in hostile class society, the exploitation and oppression of the popular masses by a small number of a ruling class emerge; distrust and confrontation, not cooperation and unity, prevail among members of the society; and consequently, collectivism, which is the inherent demand of man, cannot be realized.

Today, capitalism, the ultimate hostile class society, has turned individualism into an unlimited (?avarice) of a small minority of capitalists and led the hostile contradiction in society based on individualism to an extreme. This shows that only socialism is an advanced society which accords with the independent nature of man.

The reason that socialism is an advanced society which accords with the independent nature of man lies also in the fact that the independent demand of man can be outstandingly realized only through collectivism.

Man is a social being with independence. Man as an independent social being wants to live and develop inde-

pendently. Man's independent demand can be realized only through collectivism.

Collectivism treasures collectives' interests and social interests more than individuals' interests. For men to live, forming social collectives, it is imperative to realize collectives' independent demands and individuals' independent demands.

Collectives' independent demands are the common demands of members of society for the existence and development of social collectives. Individuals' independent demands are the demands of equal members of social collectives and serve social collectives. Therefore, individuals' independent demands deserve the guarantee of collectives.

Individuals' independent demands are entirely different from individualist avarice. Collectives' independent demands and individuals' independent demands can be most outstandingly realized only through collectivism.

Individuals' demands that are apart from collectivism are to be turned into individualist avarice, and eventually, such demands impinge upon the independent demands of other members of collectives and destroy unity and cooperation of collectives.

Only collectivism can strengthen unity and cooperation of collectives, enhance the creative zeal of members of collectives, and smoothly realize both the independent demands of collectives and the independent demands of individuals by properly combining these demands.

Our socialism is a most superior popular mass-centered society which accords with man's independent nature. Under our socialism, all of the people, as masters of society, are firmly united as one mind around the party and the leader (suryong), and are leading a noble life and an eternal social and political life.

In particular, thanks to our party's politics of benevolence, the politics of love and trust, the whole society has become a large revolutionary family. Under the collectivist slogan, "One For All, and All For One," our people are displaying laudable communist customs while helping and leading each other.

Numerous young people, men and women, share their whole life with disabled veterans who have devoted their all to society, collectives, the fatherland, and the people. They have become real, blood parents for orphans and real, blood sons for old men without dependents. They have also volunteered to advance to difficult and arduous work sites. These facts can be seen only in our socialism in which collectivist principle prevails.

All of this shows that our socialism is a most superior society which accords with the independent nature of man.

Indeed, with the great leader Comrade Kim Chong-il's elucidation that socialism is precisely a society which accords with the independent nature of man the essential differences between capitalism and socialism have been clearly revealed and the fact that the basic direction of the development of history toward socialism cannot change unless man's inherent nature changes has been vigorously proven.

South Korea

ROK: Kim Yong-sam Sends Condolence to Clinton Over TWA Explosion

SK1907005096 Seoul THE KOREA TIMES in English
19 Jul 96 p 1

[FBIS Transcribed Text] President Kim Yong-sam yesterday sent a condolence message to U.S. President Bill Clinton on the midair explosion of a TWA airliner carrying over 200 passengers and crew.

"Today the Korean people and I were greatly shocked at the news of the midair explosion of a TWA plane with over 200 persons aboard and are hereby conveying our heartfelt condolences and comfort to you Mr. President, bereaved families and the American people," the message reads.

Kim called for resolute, joint steps by the international community if the mishap proves to be a terrorist act.

ROK: Kim Yong-sam Stresses Prevention of Accidents, Terrorism

SK1907053196 Seoul YONHAP in English
0519 GMT 19 Jul 96

[FBIS Transcribed Text] Seoul, July 19 (YONHAP) — President Kim Yong-sam said Friday the government must do its utmost to prevent accidents and terrorism.

Addressing a meeting of his senior secretaries at Chongwadae [presidential offices], Kim noted the government has the responsibility of protecting the people from terrorist attacks and accidents, Chongwadae spokesman Yun Yo-chun said.

Commenting on an American TWA jetliner's explosion in the Atlantic Wednesday night, Kim said the government must tighten security to prevent terrorist attacks on aircraft and take action to insure the safety of vacationers.

Safety checks at seaports and airports must be intensified for the safety of travelers, even though they might cause some inconvenience, he stressed.

ROK Article Views DPRK's Participation in Atlanta Olympics

SK1907033696 Seoul THE KOREA HERALD
in English 19 Jul 96 pp 1, 4

[By staff reporter Pae Un-chu]

[FBIS Transcribed Text] It is perplexing that North Korea has sent a delegation to the Summer Olympics in Atlanta when it cannot even afford to pay for the delegation's travel and other expenses.

North Korea at first appeared to have decided against participation when summer floods devastated its economy last year. Its immediate concern was how to feed its starving population.

But it applied to send a delegation to the Olympic Games in January this year, three months after the deadline and asked the International Olympic Committee (IOC) for financial support.

It offered no explanation about why it decided to send a small group of 24 athletes to the Olympics with outside help, which must have been a humiliating experience for its leadership.

South Korean government officials suspect it was the Carter Center in Georgia and the Atlanta Olympic organizers that persuaded North Korea to change its mind.

Former U.S. President Jimmy Carter, who has maintained friendly relations with the North Korean leadership since he met with the late North Korean leader Kim Il-sung in 1994, sent a letter to North Korea and urged it to dispatch a delegation to the Olympic Games in December last year, said a South Korean government official.

The official said the Olympic organizing committee in Atlanta, which wanted the largest number of countries to be represented in the games, also encouraged North Korean participation.

By heeding the recommendations from the Carter Center and the Olympic Organizing Committee, North Korea may be sending a signal to the United States that it is doing its best to improve bilateral relations.

North Korea needs to improve ties with the United States if it is to break out of its isolation from the outside world and rebuild its collapsing economy With capital from abroad.

A South Korean expert on North Korea said the Communist state finds an opportunity in the Olympics to send a message that it is not all that hostile to the United States.

That would be a welcome gesture for the United States, which also wishes to improve ties with North Korea, said Kim Kuk-sin of the Research Institute for National Unification.

He said, "I believe North Korea will be able to improve its relations to a certain extent by attending the Atlanta Olympics. I think that (by luring it into the Olympics,) the United States wanted to show to its people North Korea has become more friendly."

Who is then footing the bill for North Korean diplomacy toward the United States?

Part of the money appears to have come from South Korea, which is trying to soften North Korean hostility together with the United States. News reports said South Korea contributed \$1 million to the North via the Atlanta Olympic organizers.

A South Korean official, who neither confirmed nor denied South Korean contributions, merely said there has been a variety of sources of money for North Korea, which is strapped for hard currency.

A top South Korea Olympic Committee (KOC) official hinted that South Korea has chipped in to help North Korea.

Kim Un-yong, KOC president and first vice president of the IOC, told a domestic news magazine recently that North Korea asked the IOC to help defray its Olympic expenses.

"Our Korea Olympic Committee will favorably consider helping North Korea if we receive such a request from the IOC. Of course, we will have prior consultations with our government (before making a decision)," he said before his departure to Atlanta earlier this month.

Though it may help improve North Korean-U.S. relations, South Korean policymakers said, North Korean participation in the Olympics will have little bearing either on inter-Korea relations or on the Korean community in the United States.

Kim of the Research Institute for National Unification noted South and North Korea used back channels of dialogue instead of such open venues as the Olympics, when they intended to pull off an agreement or a compromise in the past.

North Korean athletes, he said, will not be allowed to contact the Korean community in the United States for fear that they may be ideologically tainted.

In addition, pro-Pyongyang organizations of ethnic Koreans, most of them having family members, relatives or economic interest in North Korea, are a negligible

minority in the 1.6 million-strong Korean community, said an official from the South Korean Foreign Ministry.

The official said the pro-Pyongyang organizations have been staging no notable activities in connection with North Korean participation in the Olympics.

ROK: PRC 'Supports' Explanatory Meeting Sans Its Attendance

SK1907030596 Seoul CHOSON ILBO in Korean
19 Jul 96 p 2

[FBIS Translated Text] It was learned on 18 July that the PRC has informed the ROK that it supports the explanatory meeting on the four-ways talks even if it is held by the ROK and the United States without the PRC.

An ROK Foreign Ministry official said: "The PRC position shows the country's commitment to the four-way talks." The PRC had been concerned about being alienated in the four-way talks.

ROK: Kong's Meetings To Discuss 4-Way Talks Previewed

SK1907121196 Seoul TONG-A ILBO in Korean
18 Jul 96 p 4

[Article by reporter Pak Che-kyun: "Upcoming Foreign Ministers' Talks by Foreign Minister Kong To Open a Way to Four-Way Talks"]

[FBIS Summary] Foreign Minister Kong No-myong will attend the ASEAN Regional Forum [ARF] and the expanded foreign ministers' talks which will be held in Jakarta, the capital of Indonesia, from 23 to 25 July. However, attention is drawn to the joint foreign ministers' talks between the ROK, the United States, and Japan on 24 July, as well as to the ROK-PRC (25 July) and ROK-Russian (22 July) foreign ministers' talks.

The ROK-U.S.-Japanese Talks

The joint ROK-U.S.-Japan foreign ministers' talks is a new form of meeting that was created because of the seriousness of the North Korean problem; the Jakarta meeting is the second following the first meeting in Osaka in November last year. The talks are expected to discuss joint measures for achieving the four-way talks.

Soon after the four-way talks were proposed, North Korea requested the United States explain the four-way talks. The ROK and the United States thus proposed a meeting to explain the four-way talks. However, North Korea is refusing to attend, demanding various preconditions.

With the upcoming presidential election in November in mind, the United States wishes to realize the four-way talks as soon as possible. Thus, there is a difference in views between the ROK and the United States as to the extent of applying the carrot and stick to North Korea.

At the ROK-U.S.-Japan foreign ministers' talks, coordination is expected to be made as regards the measures to induce North Korea to attend the four-way talks. The talks could discuss linking additional food aid to North Korea with the four-way talks.

The ROK-PRC Talks

Despite the fact that it is a party concerned in the four-way talks, the PRC assumes a lukewarm attitude, being conscious of the North Korean position. Thus, Foreign Minister Kong is expected to request the active cooperation of PRC Foreign Minister Qian Qichen as regards the four-way talks.

The ROK-Russian Talks

Russia has many complaints in connection with the four-way talks. Foreign Minister Kong will request the Russian foreign minister support the talks. However, he may not succeed in obtaining a positive response from the Russian side.

ROK Editorial Comments on Minor Role at 4-Way Talks

SK1907092896 Seoul KYONGHYANG SINMUN
in Korean 19 Jul 96 p 3

[Editorial: "Are We Bridesmaids at the Four-Way Talks?"]

[FBIS Translated Text] Our concerns over the four-way talks are one after another becoming a reality. One is that the four way-talks are virtually serving to justify direct dialogue between the United States and North Korea, and that the ROK is merely paying for the occasion. Following the visit by U.S. White House National Security Adviser Lake to the ROK, discussions on the joint explanatory meeting on the four-way talks for North Korea are making the concern a reality.

U.S. Assistant Secretary Winston Lord, who accompanied adviser Lake on his visit to the ROK, held a news conference in Washington on 18 July, saying that the United States and North Korea are holding sincere discussions on the joint explanatory meeting. He revealed that "the United States has had working-level contacts with North Korea for the past few weeks" and that "the ROK has made considerable concessions" for the realization of the four-way talks. What does this mean? the United States has had frequent working-level contacts

with North Korea concerning the four-way talks, and the ROK has accepted most of their discussions.

The U.S. Government has reportedly decided to lift more economic sanctions and provide a large amount of food aid as a precondition to North Korea's attendance at the four-way talks. Then, the United States is asking the ROK and Japan to provide North Korea with more food. If this is true, the United States and North Korea have already made major decisions through direct dialogue, and then, the United States is mobilizing the ROK and Japan to implement the decisions. In other words, the four-way talks are being used in an abnormal way. We would like to question whether this is the ROK Government's policy on North Korea.

What dumbfounds us even more is the tone of ROK and U.S. officials explaining the contacts between North Korea and the United States. Assistant Secretary Lord said at the 18 July conference that the United States has refused to provide additional food aid or further lift economic sanctions prior to the four-way talks. Does this not contrast with his remarks "the ROK has made considerable concessions?" When Lake was in Seoul, the ROK Government officials stressed that there will be no additional carrots for North Korea to come forward to the joint explanatory meeting, and that the ROK, the United States, and Japan have discussed strengthening its alliance regarding North Korea. Their remarks have been made virtually irrelevant.

We understand the ROK Government's position of having to rely on the United States concerning its policy on North Korea under the current situation. However, within its boundaries, the ROK Government should maintain its own conviction and maintain its principles. If not, the ROK Government policy on North Korea cannot but follow U.S. policy, and at the same time, the government will be denounced for deceiving the ROK people.

ROK: Kim Tae-chung Supports Civilian Aid to North Korea

*SK1607051996 Seoul YONHAP in English
0446 GMT 16 Jul 96*

[FBIS Transcribed Text] Seoul, July 16 (YONHAP) — National Congress for New Politics (NCNP) President Kim Tae-chung said Tuesday that his party will actively support civilian organization movements to help North Koreans suffering from famine.

"It's wrong for the government not to allow civilian aid to North Korea," Kim said in a breakfast meeting at the "Korean People's Mutual Aid Movement," a civilian-led organization for assisting the North.

"Such government policies invite international criticism for South Korea's lack of sympathy and compassion for their brethren," Kim claimed.

He said his party will continue to asking the government to take initiatives at having North Korea become a "second China" by opening its door.

ROK: KFTA Urges Investors To Diversify Investments in PRC

*SK1507055396 Seoul YONHAP in English
0544 GMT 15 Jul 96*

[FBIS Transcribed Text] Seoul, July 15 (YONHAP) — Korean investors are pointed out that they need to diversify their investments in China, which are concentrated in three northeastern Chinese provinces — Liaoning, Jilin and Heilongjiang.

The Korea Foreign Trade Association (KFTA) said Monday that South Korean businesses had made a total of 2,748 investments worth 2.74 billion U.S. dollars by the end of 1995, with investments in the three provinces and the gulf of Pohai, accounting for 2.06 billion dollars or 75.2 percent of the total.

On the other hand, the KFTA noted, Korean investment in Shanghai, which is a preferred area for foreign investors, stood at 190 million dollars or a mere 6.9 percent at the end of 1995, and that in Guangdong Province, which is the fastest growing region in the socialist country, only posted 90 million dollars or 3.3 percent.

The preponderance of Korean investment in the three provinces and the Pohai Gulf was attributed to the fact that the areas are geographically close to the nation, there is a sizable ethnic-Korean workforce there, and that the Chinese provincial governments are actively seeking Korean investment, the association explained.

Other factors can be found in relatively high wages in Shanghai and Guangdong and prior occupation of the markets by foreign companies from Hong Kong and Japan, the source added.

The source pointed out, however, that Korean enterprises have to make inroads into southern Chinese provinces, which have a great market potential.

ROK Firm Wins Bid To Export Nuclear Power Plant Parts to PRC

*SK1707091796 Seoul YONHAP in English
0844 GMT 17 Jul 96*

[FBIS Transcribed Text] Seoul, July 17 (YONHAP) — Korea Heavy Industries and Construction Co. (KOHIC) will supply key nuclear power plant components worth

150 million U.S. dollars to a Chinese atomic power station, business sources said.

In an international tender held by China National Nuclear Corp. to procure steam generators, pressurizers and heat exchangers for its nuclear power plant at Qinshan, KOHIC won the contract in cooperation with the Canadian company, AECL, beating Japanese bidders.

The contract will be formally signed upon the Beijing government's approval, a source said.

Qinshan Nuclear Power Plant has two 700,000-kilowatt pressurized heavy-water reactors, which are also installed in South Korea's Wolsong atomic power station.

KOHIC will build the components at its Changwon factories for delivery to China by 2000, the source said.

The company will become the first South Korean firm to supply nuclear power plant components to China.

ROK: Cambodian Prime Minister Hun Sen Arrives for 4-Day Visit

BK1507061396 Phnom Penh National Radio of Cambodia Network in Cambodian
0500 GMT 15 Jul 96

[FBIS Translated Text] According to sources in Seoul, Republic of South Korea, a high-level Royal Government delegation led by Samdech Hun Sen, second prime minister of the Royal Government of Cambodia, and his wife, arrived at Kimpo airport in Seoul yesterday, 14 July, at 1605, local time, on a four-day working visit to the ROK.

Samdech Hun Sen, second prime minister, his wife, and the delegation were greeted on arrival by His Excellency [H.E.] ROK Deputy Foreign Minister, H.E. head of the ROK representative mission to Cambodia, and many other officials from the ROK Foreign Ministry [words indistinct].

Today Samdech Hun Sen and his wife will pay a courtesy call on H.E. Kim Yong-sam, ROK president at the presidential palace. Hun Sen will hold talks with the ROK Prime Minister.

ROK: President Kim Meets With Cambodian 2d Prime Minister

SK1507045796 Seoul YONHAP in English
0344 GMT 15 Jul 96

[FBIS Transcribed Text] Seoul, July 15 (YONHAP) — President Kim Yong-sam and visiting Second Prime Minister Hun Sen of Cambodia discussed the promotion of ties between their countries and issues of mutual concern at Chongwadae [presidential offices] Monday.

"Twenty-one years after diplomatic ties were broken off in 1975, the fact that our two nations have agreed to exchange missions is an important turning point for promoting bilateral ties," Kim said in the meeting.

"With the resumption of official ties as a momentous occasion, we can cooperate closely to contribute to mutual benefit and prosperity of the Asian region," Kim proposed.

The president then thanked the Cambodian leader for his contribution to the improvement of bilateral relations, and asked that Phnom Penh continue to exert its best effort for the eventual establishment of diplomatic-level ties.

The two agreed that an investment guarantee accord and an economy-science-technology cooperation agreement to be concluded during Hun Sen's stay here will lead to a sharp increase in bilateral trade and investment. They also agreed that the two countries will cooperate for Korea's participation in the development project for the greater Mekong subregion.

ROK: Hyundai Signs MOU To Build Car Plant in India

SK150704196 Seoul YONHAP in English
0747 GMT 15 Jul 96

[FBIS Transcribed Text] Seoul, July 15 (YONHAP) — Hyundai Motor Co. said Monday that it has signed a memorandum of understanding [MOU] with India's Tamil Nadu state government to establish a passenger car plant.

The largest Korean automaker will spend 685 million U.S. dollars to build the wholly-owned plant, and invest another 400 million dollars to the projected plant that will produce 160,000 units a year.

Hyundai said the project represents the first-ever 100-percent foreign owned plant in India.

The factory will produce 1,300- and 1,500-cc Accents, one of the most popular models among young drivers.

A Hyundai official said Hyundai's automobile division is prepared to "enter the Indian market with its export Accent model."

"Hyundai cars will be on the streets of India in 1998," he said.

ROK Ministry Decides To Rename Maritime Borders

SK1807080496 Seoul HANGUK ILBO in Korean
18 Jul 96 p 2

[FBIS Translated Text] The National Defense Ministry decided on 17 July to unify the two different names of

maritime border lines, the Northern Border Line (NBL) in the East Sea [Sea of Japan] and the Northern Limit Line (NLL) in the West Sea [Yellow Sea], which were named in 1953, calling both the Northern Limit Line.

ROK Offices Asked To Avoid Anti-Import Drives

SK1807024696 Seoul THE KOREA TIMES in English 10 Jul 96 p 9

[FBIS Transcribed Text] The Ministry of Finance and Economy (MOFE) informally asked other government ministries and organizations not to engage in anti-import drives that might invite foreign criticism.

The informal directive, made by the International Cooperation Bureau, was aimed at diffusing potential disputes with foreign trading partners, an MOFE official said.

Amid the widening trade deficit, there were reports that tax and customs offices are making audits and inspections of consumers and importers of what are called luxurious foreign goods.

An MOFE official said such measures do not represent the official position of the Korean Government. Even if such anti-import measures are being practiced, they are isolated cases undertaken by junior officials, he added.

He noted that Deputy Premier and Finance-Economy Minister Na Ung-pae has repeatedly said that any attempt to control imports is of no help in reducing the yawning trade deficit and it only invites criticism from foreign countries.

ROK: Country-of-Origin Confirmation Waived for 10 Imports

SK1607033696 Seoul THE KOREA ECONOMIC WEEKLY in English 15 Jul 96 p 3

[FBIS Transcribed Text] Confirmation on the country of origin will be waived for wristwatches, color TV sets (25-inch or less) and eight other items, effective from July 1 this year, sources at the Ministry of Trade, Industry and Energy said.

The measure was taken to cope with international practices and to improve procedures for import customs clearance, the sources explained.

The ten items are color glass bulbs for cathode-ray tubes; pressed or molded glass tiles; pumps; automatic wrapping devices; other packing devices; portable radio-compact disk players; radio-compact disk players for automobiles; color TV receivers (21-25"); analogue wristwatches; and analogue-digital wristwatches, the sources said.

ROK: Trade Deficit With 'Advanced Nations' Widens

SK1607043696 Seoul THE KOREA ECONOMIC WEEKLY in English 16 Jul 96 p 3

[FBIS Transcribed Text] Korea's deficit in trade with the United States and other advanced nations has been widening at an accelerating pace, sources at the Ministry of Trade, Industry & Energy said.

During the first five months of this year, Korea's exports to the United States, Japan, EU (European Union), Canada and Australia totalled \$24,789 million, while imports from these five regions amounted to \$40,099 million, thus leaving a trade deficit of \$15.31 billion in Korea's disfavor, the sources said.

The five-month red-ink figure represents an increase of 16.5 percent or \$2,164 million over \$13,146 million reported a year earlier, the sources explained.

The widening gap was ascribed partly to the mounting trade disputes from these regions and partly to massive inflows of high-priced luxurious items from the regions, the sources analyzed.

In trade with the United States, exports during the five-month period reached \$9,528 million (up 9.1 percent from a year before) against imports of \$13,845 million (up 16.1 percent), thus leaving a trade deficit of \$4,317 million in Korea's disfavor.

During the five-month period, Korea's trade deficit with Canada amounted to \$580 million (up 280 percent from a year ago) and that with Australia came to \$1,730 million (up 35.7 percent).

Yet the nation's trade deficit with Japan during the period stood at \$6,025 million (off 10.2 percent) and that with EU reached \$1,526 million (off 0.7 percent).

In May alone, exports to Japan amounted to \$1,343 million, showing signs of the first downcurve so far this year, the sources added.

ROK: Advanced Countries Offer Incentives to Korean Firms

SK1907094996 Seoul YONHAP in English 0737 GMT 19 Jul 96

[FBIS Transcribed Text] Seoul, July 19 (YONHAP) — With manufacturing companies taking so much of their production facilities abroad these days, advanced countries have been engaged in what is described as "social dumping" to provide all kinds of incentives to invite these firms to set up plants in their countries.

Advanced countries like the United States, France and Britain have been engaged in tough competition to

invite these Korean firms with packages of incentives so competitive that they even undercut developing countries. The practice has come to be known as "social dumping": The land for factories is provided so cheaply or even offered for free by those countries, in addition to tax favors, and financial assistance, which are accompanied by low wage levels under certain conditions.

According to corporate sources Friday, the Sunkyung Group purchased a 1.65-million-square-meter site for its factory outside Atlanta, Georgia, in the United States, for just one U.S. dollar. The group plans to invest 1.5 billion dollars by 2005 to build a polyester film production complex on the land. The first stage is designed for an investment of 250 million dollars to turn out polyester film by 1998 at the complex, the sources said.

Samsung Group was able to purchase a 825,000-square-meter parcel of land in one yard, northern England, to build production facilities for electric home appliances, semiconductor chips, information and communications equipment. The group bought the land on very easy concessionary terms, along with a package of incentives equivalent to 20 percent of the 700 million dollars that the group plans to invest in the proposed complex.

When the complex is completed in three stages by 1999, some 3,000 local residents will be hired at the complex and the local government has promised to redraw the public transportation route so that public buses will stop at the complex, in addition to paying 7,750 pounds in training expenses per year for every under-aged employee that the complex hires and trains.

Daewoo Electronics Co., on the other hand, while constructing a video cassette recorder plant in northern Ireland, has benefited from the local government's support for up to 50 percent of its rent for the plant site and buildings, and cash loans for facility investment, which all together come to 50 percent of total investment in the new project.

The local government has also promised to pay all the interest on its loans for the first three years, and 3 percent of the 7 percent annual interest on the loans during the 4th and 7th year.

Samsung and Hyundai Electronics have also been the beneficiaries of local support when they purchased sites for semiconductor chips plants in Austin, Texas, and Eugene, Oregon, in the United States, respectively.

The corporate sources went on to say that these firms were able to buy the land at one-tenth of the current market value, and the state governments have promised

to build tap water, power and sewage facilities at the state's expense, among other favors.

These firms have not divulged the details of the favors they received on land and others provided by local governments on account of backlashes.

It is true that Daewoo with its plant in France, and most other large South Korean firms operating in the United States, and Europe, have received either central or local government support in relocating their plants, the sources said.

Especially, the wage-levels in those countries, in France in particular, are equivalent to 75 percent of those at home, or much lower, for example, in Britain, providing better corporate management conditions.

ROK: Samsung Chairman Yi Kon-hui Appointed IOC Member

SK1907021696 (Internet) The Joong-Ang Ilbo WWW in English 19 Jul 96

[FBIS Transcribed Text] Samsung Group Chairman Yi Kon-hui, 54, (vice-chairman of the Korean Olympic Committee and chairman of the Korean Wrestling Committee) was appointed a member of the International Olympic Committee (IOC).

The IOC selected 12 people including chairman Yi and Chang Ung, chairman of the North Korean Olympic Committee as new members at the 105th plenary session held in Atlanta at 3 p.m. Wednesday (4 a.m. Thursday, Korean time).

These 12 new members were formally appointed at the plenary session after being recommended at a provisional executive committee meeting. With their appointment, the number of IOC members increased to 115 from 106 (3 members dropped out).

Korea now has two IOC members including Kim Un-yong, chairman of the Korean Sports Association, and is one of the 20 countries with more than two IOC members.

ROK: Assemblymen Urge Chon, No To Tell Truth, Repent

SK1607085796 Seoul YONHAP in English 0830 GMT 16 Jul 96

[FBIS Transcribed Text] Seoul, July 16 (YONHAP) — Thirty-four lawmakers from three opposition parties, including the ruling New Korea Party [NKP], mailed a statement to jailed former presidents Chon Tu-hwan and No Tae-u Tuesday, urging them to show sincerity in court during public trials of the 1979 mutiny and 1980 massacre cases.

"You should tell the truth without holding anything back, repent for your past acts and humble yourselves before the people and history," the statement read. "You are urged to face the trial with a more serious and sincere attitude."

They also sent a statement to former president Choe Kyu-ha calling on him to take the witness stand "so that the public's desire that the truth be revealed about the 1979 mutiny and the bloody suppression of the 1980 Kwangju uprising is not thwarted by a former president's egoistic and authoritarian attitude."

Choe has refused to answer a court subpoena to appear in court as a witness in the mutiny and treason trial because he believes that it would set "an undesirable precedent" for a former head of state to testify before the court as a witness.

The statements were signed by legislators from the ruling party, major opposition National Congress for New Politics (NCNP) and minor opposition Democratic Party (DP). The signatories include Reps. Kim Mu-song, Yi Yong-sam, Hong Chun-pyo and An Sang-su of NKP, Kim Yong-pae, Yim Chae-chong, Han Hwa-kap and Sol Hun of NCNP, and Che Chong-ku, Chang Ui-pyong and Yi Kyu-chong of DP.

ROK: Detention Period for 2 Mutiny Case Defendants Expires

SK1607085696 Seoul YONHAP in English
0834 GMT 16 Jul 96

[FBIS Transcribed Text] Seoul, July 16 (YONHAP) — Two more defendants involved in the 1979 mutiny and 1980 massacre cases will be released Wednesday since their six-month detention period for the first trial will have expired.

Defendants Hwang Yong-si, former 1st Army Corps commander, and Yi Hak-pong, former senior Defense Security Command official, will be released from detention Wednesday since their detention period expires on that day, and since there are no additional charges against them warranting an extension of the period, said a criminal division of the Seoul District Court handling the mutiny and treason cases Tuesday.

The two will stand trial in future without physical restraint.

Defendant Yu Hak-song, former deputy defense minister for logistics, who was arrested Jan. 18 along with Hwang and Yi, however, will be released July 26. For Yu, the nine days he was hospitalized for a medical exam, have been excluded from his legal detention period.

Defendants An Hyun-tae and Song Yong-uk, who have been implicated in Chon's slush fund case, were released from detention July 9.

ROK: Constitution Day Observed at National Assembly Ceremony

SK1707060496 Seoul YONHAP in English
0202 GMT 17 Jul 96

[FBIS Transcribed Text] Seoul, July 17 (YONHAP) — The nation observed its 48th constitution day in a ceremony Wednesday at the National Assembly with leaders from the three branches of government, lawmakers and some 1,000 people from all walks of life attending.

In his congratulatory speech, National Assembly speaker Kim Su-han noted that the history of the nation's constitutional rule was that of an "incessant struggle to develop the state and society in a normal way amidst sufferings and turbulences."

"Now is the time to return to the constitutional spirit and renew our determination to creatively overcome new challenges on the firm basis of forbearance, compromise and legalism."

In another speech, Won Chang-kil, president of the fraternity of constitutional lawmakers, expressed his hope that the incumbent 15th National Assembly would operate in a productive way based on harmony between the ruling and opposition camps.

ROK: Opposition Lawmakers Request Release of Kim Hwa-nam

SK1907015396 Seoul YONHAP in English
0015 GMT 19 Jul 96

[FBIS Transcribed Text] Seoul, July 19 (YONHAP) — Nine opposition lawmakers submitted to the National Assembly Thursday a motion requesting the release of Rep. Kim Hwa-nam, an independent.

Former National Police Administration commissioner, Kim was arrested April 30 on charges of premature electioneering and distributing money and goods to voters. Kim was elected on the ticket of the opposition United Liberal Democrats, but subsequently bolted from the party.

"The detention of an incumbent National Assemblymen to prevent the destruction of evidence and escape runs counter to the spirit of the Constitution demanding prudence in the physical restraint of lawmakers," the motion said.

The motion was signed by 119 lawmakers, including the nine sponsors, according to Rep. Kim Chung-cho, one

of the sponsors. Seven ruling New Korea Party, 60 major opposition National Congress for New Politics, 36 United Liberal Democrats, 11 splinter opposition Democratic Party and five independent lawmakers signed the petition.

The National Assembly is expected to vote on the motion Saturday in a plenary session. If it is approved by secret ballot by a majority of voters with the attendance of a majority of lawmakers duly seated, Rep. Kim will be released without delay under the provisions of Article 44 of the Constitution.

ROK: MND 'Intends To Punish' Private Organizations Within Military

SK1807003496 (Internet) The Digital Chosun Ilbo
WWW in English 1200 GMT 17 Jul 96

[FBIS Transcribed Text] The Ministry for National Defence [MND] announced Wednesday that it intends to punish strictly those military personnel who organize or participate in private organizations within the military. The government will pass an amendment to the existing Military Personnel Law to facilitate this.

Those who infringe the new law will face maximum penalties of 2 million won or 2 years' imprisonment. The definition of proscribed private organizations will include those organizations of an anti-nation/army, politically-oriented or profit-seeking nature. The joining of certain groups will be permitted subject to the obtaining of permission, including family associations, same town group, school and commission class alumni and hobby and religious groups.

A ministry official said that the joining of groups which exist for the good of the military and pure amity groups will be guaranteed.

ROK Defense Ministry: No Major Armed Forces Day Programs in '96

SK1807120196 Seoul YONHAP in English
1123 GMT 18 Jul 96

[FBIS Transcribed Text] Seoul, July 18 (YONHAP) — There will be no major Armed Forces Day programs this year, the Defense Ministry decided Thursday.

Instead, the three service branches will have small-scale commemorative programs at their respective headquarters to observe the Armed Forces Day that falls on Oct. 1.

"We have decided to live up this year to the principle of observing the Armed Forces Day with large-scale, joint tri-service programs only once in three years," a ministry official said.

Major tri-service street parades marked the Armed Forces Day in 1994 and last year it was observed in a ceremony held at Kyeryongdae near Taejon, seat of the three service headquarters.

ROK: Individual Savings Ratio 'Fell Sharply' in 1995

SK1307121496 Seoul THE KOREA ECONOMIC WEEKLY in English 8 Jul 96 p 24

[FBIS Transcribed Text] The savings ratio of individuals fell sharply last year because of soaring consumer spending, the Bank of Korea said.

Koreans' savings ratio stood at 29.9 percent last year, down sharply from the 33.0 percent in 1994.

The central bank attributed the major reason for the decline in the savings ratio to a high consumption growth rate, which rose to 7.9 percent in 1995 from 7.6 percent in 1994.

The individual savings ratio had been on an upward trend since the 1980s, climbing from 14.9 percent in 1980 to 18.6 percent in 1985 and 32.1 percent in 1990.

But the comparable figures fell to 29.7 percent in 1991 and 27.2 percent in 1992 and 1993 before bouncing back to 33.0 percent in 1994.

"The nation's individual saving ratios were higher than the 9.6 percent in the US and 15.8 percent in Japan in 1994, but much lower than Taiwan's 42.5 percent in the same year," said a BOK official.

The BOK said that financial asset holdings per person amounted to 10.39 million won at the end of last year, a year-on-year rise of 16.6 percent from 1994, and per-capita financial liabilities stood at 4.80 million won. Thus net asset holdings by person remained at 4.75 million won last year, down 17.5 percent.

ROK Committee Suggests 7 Principles for Revising Labor Laws

SK1507113496 Seoul YONHAP in English
1105 GMT 15 Jul 96

[FBIS Transcribed Text] Seoul, July 15 (YONHAP) — Civil servants and school teachers may be allowed to organize unions and multiple trade unions are likely to be recognized.

New labor practices, such as dispatch from a labor pool on a contract basis and short-term contract-based employment, will be introduced.

These are salient points of the labor system improvement plan a presidential advisory committee on labor-management relations reported to President Kim Yong-sam Monday.

The plan, which the Labor-Management Relationship Reform Committee, chaired by former Prime Minister Hyon Sung-chong, drafted after holding several public hearings, calls for the seven principles of revising labor laws.

They include increased labor-management cooperation and impartial and rational settlement of labor-management conflict of interests, transparency of labor rules, respect for international labor standards and practices, improved quality of life for workers and revitalization of the labor market, and respect for union's autonomy and labor-management equality in collective bargaining, among others.

The committee, equally representing labor, management and the government, also calls for respect for new labor practices, guarantee of labor's autonomy in organizing, joining and operating unions, and recognition of the basic labor rights of civil servants and teachers.

The plan thus suggested that labor and management would positively consider introducing new labor practices and a multiple union system and allowing civil servants and teachers to organize unions.

The committee will hold six more public hearings before giving the plan a final form in mid-September, the deadline for submitting it to the president.

ROK: Hyundai Shipyard Unionists Accelerate Partial Walkout

SK1707062696 Seoul YONHAP in English
0113 GMT 17 Jul 96

[FBIS Transcribed Text] Ulsan, July 17 (YONHAP) — Unionized workers at the Hyundai shipyard here will step up the intensity of their partial strike Thursday to press management to accept their demands.

The unionists are demanding that management respect the right of laborers to halt work under dangerous situations, that fired unionists be reinstated and a 40-hour work week.

The union's central dispute measures committee arrived at a decision Tuesday to extend by more than two hours their partial walkout beginning Thursday. Workers started partial walkouts a day earlier by staying away from work for an hour.

Accordingly, some 5,400 unionists at three divisions, including the shipbuilding business division, will walk out for four hours from 1 pm through 5 pm Thursday. In addition, the entire 21,500 members of the union will boycott work and instead attend a general meeting from 3 pm to 5 pm Friday.

ROK: Strikes Cause 'Almost' \$1.2 Billion in Lost Production

SK1707115796 Seoul YONHAP in English
1128 GMT 17 Jul 96

[FBIS Transcribed Text] Seoul, July 17 (YONHAP) — Labor strikes have set back the nation's industrial production almost one trillion won (1.2 billion U.S. dollars) so far this year, according to the Trade, Industry and Energy Ministry [MOTIE].

Production setbacks due to work stoppages amounted to a total of 998.34 billion won as of July 16 this year, up 65.9 percent from the same period last year, the ministry said.

And export setbacks also jumped 104.7 percent to 252.55 million dollars.

There were 527 labor strikes across the country as of July 16, up 32 from a year earlier.

Participating in the stoppages were 60,432 workers, 20,617 more than a year earlier.

Of the 5,830 factories employing 100 or more workers, those which had settled wage raise negotiations as of July 16 accounted for 68.3 percent, compared with the 69.1 percent registered for the same period last year.

The rate for factories of the 30 largest business groups stood at 56.2 percent against the 64.6 percent recorded a year earlier.

ROK: Shipping Firms Face 'Slump,' Consider Downsizing

SK1507084096 Seoul YONHAP in English
0745 GMT 15 Jul 96

[FBIS Transcribed Text] Seoul, July 15 (YONHAP) — Many shipping firms have begun to restudy their plans to add new vessels to their fleet by either scuttling them altogether or downsizing their ship construction and chartering plans as the slump in the industry continues to grip them.

According to the Maritime and Port Administration and the Korea Shipowners' Association Monday, nine domestic shipping firms have indicated that they will build 14 new ships this year, with loans from foreign banks.

However, only two of them have actually gone ahead with placing orders for new ships during the first half, and the rest have postponed their plans. The two firms are Hyundai Merchant Marine, which placed orders for three 32,000-ton container ships, and Chonkyong Shipping, which placed an order for a 4,800-ton container vessel.

Choyang Shipping Co., which planned to build a 8,000-ton class container carrier this year with 17.5 million U.S. dollars in foreign loans, has notified the maritime authority that it has canceled the plan.

Of the eight smaller shipping firms, which were going to charter foreign vessels with funds borrowed from the Bank of Korea, only two of them went ahead with chartering the foreign vessels.

They were Korea Special Shipping Co., and Tongjin Shipping Co., which chartered a 45,000-ton LNG (liquefied natural gas) carrier, and a 2,500-ton cargo ship, respectively.

The situation reflects a 15-percent drop in transportation charges worldwide, and a slump in the volume of cargo. The shipping firms withdrew their charter plans to wait for a further drop in the prices of old ships due to the downtrend.

ROK Said World's Sixth Biggest Oil Consumer

SK1707010196 (Internet) *The Joong-Ang Ilbo* WWW in English 17 Jul 96

[FBIS Transcribed Text] Korea, which ranked 8th in the world in oil consumption in 1994, surpassed France and Italy last year and ranked 6th.

Korea's oil consumption during the past 5 years increased steadily by an annual average of 12.95 percent and recorded the highest rate of increase in the world during the same period.

The Korea Oil Association announced these figures Tuesday, citing the 1996 statistics on the world's oil consumption which were released by a British oil company, BP Co. According to these statistics, Korea consumed 2.01 million barrels of oil daily last year, up 9 percent from 1994. This amounts to 3 percent of the world's total consumption.

ROK National Statistics Office Publishes Latest Census Data

SK1807022996 *Seoul THE KOREA TIMES* in English 18 Jul 96 p 9

[FBIS Transcribed Text] The percentage of women in the 20-to-29 age bracket who are unmarried increased to 56 percent last year, up 5.2 percentage points since 1990, the latest census statistics show.

This is more than the 3 percent gain among males of the same age from 77.5 percent in 1990 to 80.5 percent last year, the National Statistical Office (NSO) said.

According to the NSO, young women of marriageable age appear to be delaying their marriages or deciding not to get married at all.

The NSO published the data after sampling 280,000 homes or 2 percent of all Korean households.

It said that men are putting off marriage to do military duty, to look for jobs and for financial reasons. More and more young females are remaining single as they have more job opportunities, are seeking to study more and are engaging in other social activities, it suggested.

There was a 14.1 percent increase in the number of households in Korea, from 11,355,000 in 1990 to 12,961,000 last year, indicating that more people are choosing to live as nuclear family units. The number of family members averaged 3.3 last year, down from 3.7 in 1990.

A total of 1,650,000 households were made up of one-member families last year, an increase of 61.4 percent over 1990, mostly because of a rise in the number of unmarried people and aged people in rural villages, the NSO said.

The NSO said the divorce rate has continued to rise in Korea, climbing from 0.6 percent in 1985 to 0.8 percent in 1990 and 1.1 percent last year.

Last year, about 44.3 percent of the people lived outside cities and provinces where they were born, up from 41.3 percent in 1990. One-quarter of the population aged five years or more had moved to another city or county in the past five years, it said.

In the nation's six major cities, including Seoul and Pusan, the percentage of people commuting by car more than doubled from 9.6 percent in 1990 to 20.4 percent in 1995, while only 31.7 percent of the commuters used inter-city buses, down from the 40.8 percent in 1990.

Last year, 53 percent of all households were living in homes they owned, with another 28.1 percent living in rented homes and 15.5 percent living in housing for which they paid monthly rent, the NSO said.

One family had 3.1 rooms on average last year, up from 2.5 in 1990 and 75 percent of the Korean households had both flush toilets and baths with hot and cold water, up from 51.3 percent and 34.1 percent, respectively in 1990.

At the end of last year, there were 9,216,000 dwellings, an increase of 28.7 percent or 2,056,000 over 1990, raising the home ownership rate to 86.1 percent, up from the 72.4 percent in 1990, the NSO said.

The size of dwellings averaged 25.1 pyong (one pyong equals 3.3 square meters) last year, up from 24.5 pyong in 1990.

The average number of rooms in each home was 4.4 last year, more than the four in 1990, the NSO said.

Burma

Burma: Than Shwe Appearance Reported on State Television

BK1707145196 Rangoon TV Myanmar Network in Burmese 1330 GMT 17 Jul 96

[FBIS Translated Text] Police Major General A. Poerwanto Lenggono, newly accredited ambassador of the Republic of Indonesia, presented his credentials to Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma], at the Ministry of Defense's Dagon House at 1000 today. Also present were Lieutenant General Khin Nyunt, SLORC secretary-1; U Ohn Gyaw, minister of foreign affairs; and Thura U Aung Htet, director general of Protocol Department.

Burma: Ohn Gyaw Departs for Jakarta ASEAN Ministerial Meeting

BK1807152796 Rangoon Radio Myanmar in Burmese 1330 GMT 18 Jul 96

[FBIS Translated Text] A delegation led by Foreign Affairs Minister U Ohn Gyaw left Yangon [Rangoon] by air this morning to attend the 29th ASEAN Ministerial Meeting to be held in Jakarta, Indonesia, beginning 20 July.

The delegation was seen off at Yangon International Airport by: Brigadier General Abel, minister of national planning and economic development; Major General Saw Lwin, minister of labor; U Nyunt Swe, deputy minister of foreign affairs; responsible personnel; and the ambassadors from the ASEAN countries.

Burma: Sun Kyi Accused of Exploiting Martyrs' Day

BK1807131596 Rangoon THE NEW LIGHT OF MYANMAR in English 18 Jul 96 p 5

[Article by Bo Daewa; "The Unforgettable 19th July"]

[FBIS Transcribed Text] My grandchildren, grandpa will tell you something. It is about the matter that we can never forget, 19th July. You must have heard about it as high school students up to the time you grandchildren got to college. You must have heard a lot about 19th July at the talks given by teachers each year as this day was about to approach.

Yes! In connection with the talks there are important facts which you should never forget. At 10 am on 19 July, our National Leader Bogyoke [General] Aung San and his colleagues who were working for the country were brutally assassinated. These murderers were sent by the country's traitor power-crazy U Saw.

As the Arzani Leaders [Martyrs] fell, the entire country mourned bitterly at their loss.

How can we, who also suffered such a grievance on that day ever forget it? However, for people like us, it is not only on this sad day of 19th July that we feel the loss and remember about it, but forever and never forgive and forget about it for a single day. Grandpa must relate to you grandchildren about this.

We do not think lightly that our leaders fell due to power-crazy U Saw, nor do we lose sight of it just by viewing it casually. But we studied, made enquiries and reviewed who had sent them from behind the scene to execute the plot and who had provided assistance and who had given support. We had noted these down never to be forgotten and made note of it and has remained indelible up till now.

I will not go into details who all were involved in the conspiracy. These will be written and told by historians in detail. What we have noted down are simple.

At that time, owing to the power of unity of the AFPPL [Anti Fascists People's Freedom League] of Bogyoke Aung San and others, the British Government had to form a Consultative Cabinet. Bogyoke Aung San came out of the City Hall, spoke at a mass rally and gave an ultimatum thus — if independence is not granted within a year, then we'll fight. The British had to take Bogyoke to Britain and make arrangements to grant independence. U Saw objected to these arrangements.

Not long afterwards, the assassination of Bogyoke and others was carried out. The links which could not be covered up were later unfolded. They revealed who the real culprit was.

At that time, British forces were deeply rooted in Myanmar [Burma] and the generals and the British Governor were still ruling the country firmly. A huge ammunition depot where the arms and ammunition of the British Army were kept was in Botahtaung Township. A junior British officer by the name of Vivian drew a large number of assorted arms and ammunition from there and handed them to U Saw's house. U Saw packed these arms in iron drums and hid them in the Inya Lake in front of his house.

After that U Saw brought his trusted followers from Minhla and Thayawady, gathered them and trained them. U Saw then carried out his plot successfully. We did not point our accusing fingers at U Saw only just by thinking lightly what U Saw had done. The real culprits were the senior officers of the British Government and the generals. In the British Army which is very systematic and fully disciplined taking out a few number of ordinary arms and ammunition had to go through a

series of checking and inspection and permission from high-ranking officer. The drawing of a large number of arms and ammunition sufficient enough for a company of soldiers by a junior officer cannot be done without the knowledge of the highest ranking officers and without their permission. Therefore, according to concrete proof and significant evidence we can never forget that it was the British who assassinated our Leaders on 19 July and have made a mental note of it, my grandchildren.

Moreover, there is another fact which we can never forget. You should remember properly in every detail together with the names of all the Arzanis from Bogyoke Aung San and Deedok U Ba Choe right down to U Ohn Maung and Maung Htwe. As for grandpa, I can never forget their qualities and abilities, their patriotic spirit and their leadership abilities rather than their names. They mean a great loss to us as well as the cruelty of the British. Their plot to kill two birds with one stone is a thing never to be forgotten.

It is not an easy thing to happen to a person like Bogyoke Aung San, a good leader and an Arzani to be born in our lifetime. Deedok U Ba Choe who was scholar in all fields, Sayagyi U Razak who had far-sightedness for Myanmar education, Shan national leader Mongpawm Sawbwaagyi and Kayin national leader Mahn Ba Khaing who had nationalist fervour in them and made selfless efforts to forge Myanmar unity, were all patriotic nationals who can never be replaced. These dignitaries had gathered and were deliberating on that day on matters relating to progress and prosperity of the State and the people who would soon become independent, drawing up political, social, economic and education plans. At this very vital time for Myanmar, the British with an evil plot dealt a heavy blow by eliminating and destroyed Bamar, Shan and Kayin leaders to near extinction. They turned the entire Myanmar, a leaderless country, into total disorder and created a situation in which the Myanmar public, who were about to make energetic efforts to shoulder independence duties, to become weak and listless. We constantly remember this evil plot, more so on 19 July, my grandchildren.

There is another reason why we can never forget 19th July. Aung San Suu Kyi came back to Myanmar temporarily, the time which coincided with 19th July. Well, I don't remember the exact year. Up to that time, we were not even aware that she existed. When we became aware of her, we became greatly disconsolated. It is because we came to learn that she had fallen in love and married a long-nosed Englishman Michael Aris and even given birth to two sons. As soon as I learnt this I burst out into uncontrollable rage. She had smeared her own father's face black and had no regard for the honour of her own race and honour of her own father,

a Myanmar leader. She had forgotten how patriotic leaders had died together with her father in a brutal manner and had joined hands with a person whose race had brutally taken her father's life. I felt so deeply that I even began to utter to myself that she had no shame to come and even live in Myanmar.

On that day, when I saw the picture of Aung San Suu Kyi laying a wreath at the tomb of Bogyoke Aung San, my thoughts began to wander. If her father, Bogyoke Aung San should become alive again and rise from his tomb and see his daughter, what would he do. I thought of the things I would do if I was in his place. Would he slap his daughter's face left and right like the Japanese do [in World War II] or would he take out the automatic from it's holster and empty the bullets into her. These were the thoughts which flashed into my mind. Then at once I came to remember that although Bogyoke Aung San apparently looked rough in speech and manner, he was a true gentleman and had a kind and gentle heart. He would not indulge in any acts like those which came into my mind. I then realized that he would simply admonished her like true Myanmar people do and spit on her face and make her become shameful. Whenever these thoughts flash into my mind I come to remember 19 July.

There is another thing which I want to tell to let my grandchildren know. As she had forgotten the honour of her parents and relatives and was enjoying herself in the West as much as she liked and had forgotten everything, it would have been better for her and it would have nothing to do with us. But now, it is nothing like this, my grandchildren. She was incited and instigated and forced to climb the Myanmar stage and she was made to dance according to their tune and according to the strings they pulled. While made to dance according to their tune, they change their play into another pattern and began the story of direct confrontations. I think it was on 19 July 1989. She pulled out a confrontation trump card and used it in the political arena on that day and is creating problems in succession up to the present day, my grandchildren. Even on the day the British colonialists killed her own father, she wants to make political gain. This is very surprising and a big shock to me and 19 July is the most unforgettable day for Grandpa, my grandchildren.

Burma: Aung San Suu Kyi Attends Martyrs Day Celebrations

*BK1907032996 Hong Kong AFP in English
0324 GMT 19 Jul 96*

[FBIS Transcribed Text] RANGOON, July 19 (AFP) — Burmese opposition leader Aung San Suu Kyi attended a sombre Martyrs Day ceremony here Friday, laying

a wreath at the tomb of her father, independence hero Aung San, who was assassinated 49 years ago.

Aung San Suu Kyi arrived for the ceremony at Martyrs Mausoleum at the base of Rangoon's renowned Shwedagon Pagoda in a limousine provided by the government, accompanied by seven young girls.

Her car pulled up after government officials, led by Minister for Culture Aung San, who is no relation to the opposition leader, left the mausoleum following a 10-minute official ceremony under grey skies and a drizzling rain.

A solemn looking Aung San Suu Kyi, dressed in a white top and black traditional longyi, or sarong, and covered with a black shawl, mounted the stairs to the mausoleum to lay a wreath at her father's tomb.

Aung San, considered the architect of Burma's independence, was gunned down in 1947 with six of his colleagues on the instructions of a political rival when he was on the verge of setting up a post-colonial government.

After Aung San Suu Kyi laid her wreath, with the seven young girls dressed in white blouses and blue longyis in attendance, the families of the other martyrs killed in 1947 stepped up to lay wreaths of their own.

Aung San Suu Kyi left immediately after the brief ceremony, without making a speech or talking to the two dozen foreign journalists present.

Burma: ABSDF Martyrs' Day Statement Urges NLD-SLORC Dialogue

BK1807154996 (Internet) BurmaNet News in English 18 Jul 96

[Statement issued by the All Burma Students' Democratic Front, ABSDF, on the occasion of the 49th Anniversary of Martyrs' Day on 19 July; place not given]

[FBIS Transcribed Text] July 19, 1996 marks the 49th anniversary of Martyrs' Day in Burma, the day on which an unforgettable event took place. On July 19, 1947 Burma suffered a great loss when, General Aung San and eight other heroes of the independence struggle were assassinated, less than six months before the country regained its sovereignty.

A few months after the Independence, civil war broke out throughout the country, and in 1962 the Army led by General Ne Win, citing the ethnic insurrections as a major threat to the preservation of the union, seized power from the democratically elected U Nu government.

Since then students, youths, and the people of Burma have been sacrificing their lives in the struggle to restore freedom, democracy and justice to our country.

The ABSDF would like to express the great admiration that we feel for these people who have given their lives for the benefit of the country, and the deep sorrow that we feel on this occasion when we remember their deaths—a sorrow as deeply felt as that of their family members.

On this special day, we the ABSDF strongly denounce the State Law and Order Restoration Council, SLORC, for breaking their promises concerning democratic reform, particularly their refusal to honour the results of 1990 May general elections, and for their continuing and escalating human rights abuses against the people of Burma, aimed at maintaining their hold on power indefinitely.

The ABSDF wholeheartedly supports Daw Aung San Suu Kyi and the National League for Democracy, NLD, in their recent boycott of the SLORC's 'sham' National Convention which seeks to perpetuate their dictatorial rule through the drafting of a constitution, by handpicked representatives.

On this significant anniversary, the ABSDF demands that the SLORC:

- 1) abolish the 'sham' National Convention,
- 2) release all political prisoners including elected MPs and the prominent student leader Min Ko Naing,
- 3) abolish all unjust laws and stop all forms of human rights abuse,
- 4) enter dialogue with the NLD, led by Daw Aung San Suu Kyi, and with ethnic leaders, to bring national reconciliation, democracy and lasting peace to Burma.

The ABSDF urges the Burmese people, in honour of our martyrs, to double their efforts, in the struggle for peace democracy and human rights.

The ABSDF also urges the rank and file soldiers in Burma to honour to our beloved independence father General Aung San and the other eight martyrs, by respecting the genuine desire of our people for democracy, and by standing alongside them and protecting them throughout their struggle. It is only by ensuring that the army fulfills the role for which General Aung San established it that soldiers can show their genuine admiration for him.

ABSDF would like to urge all the ethnic groups who have cease-fire agreements with the SLORC, to support by any possible means the peaceful struggle led by Daw Aung San Suu Kyi.

We would like to appeal to the international community to impose trade sanctions and an arms embargo on the SLORC, and to suspend any development aid until the restoration of democracy and human rights in our country.

The ABSDF pledges to the people of Burma that we will continue the struggle until the victory is achieved whatever sacrifices may be necessary along the way. Central Leading Committee All Burma Students' Democratic Front

Burma: Paper Brands Aung San Suu Kyi as 'Modern-Day Ogress'

BK1907123996 Rangoon MYANMAR ALIN
in *Burmese* 16, 17 Jul 96

[Article by Kaytu Nilar: "Judged According to Mahawthadar's Judgement"]

[FBIS Translated Excerpt] [16 July, p 3] It may be a coincidence, but lately I have been studying and reading traditional literature containing views on life and the world. Reading a book on Mahawthadar Jataka [a tale on previous life of the Buddha as a young judge Mahawthadar] the other day, I ended up contemplating on the judgment of the young judge Mahawthadar and its relevance to the present day situation. [passage omitted on settling dispute between a mother and an ogress pretending to be a mother of a child in dispute]

Reading Mahawthadar's judgment in the child dispute case, I cannot help but compare the differences between the modern-day ogress [refers to Aung San Suu Kyi] who pretends to be a mother and the Defense Services — the State Law and Order Restoration Council [SLORC] — which is like the real mother of the child, and their differences in attitude toward the nation and the people, goodwill, and stance.

The modern-day ogress is pretending to be a mother to turn the country into a vassal state of the imperialists characterized by servitude and loss of independence and to sell the country and the people to the imperialists. She is using sweet words laced with deception by pledging love for the country and the people and by claiming to have a desire for the nation's progress. She protested and rejected the right of the Defense Services to lead in national politics, branding it a fascist army engaged in oppression and torture. She also says that there is no human rights and democracy. The ogress, who is pretending to be a mother but cannot hide her true nature, is showing her fangs and is concocting fabrications while saying: "Please withhold international assistance for development of the country and the people until I have obtained power. Please do not visit [Burma]; keep it isolated and do not engage

with it. Please introduce sanctions to make the country poor in order for me to obtain power. Please help me obtain power through these means. Please help and save us." The modern-day ogress approached and infiltrated the National Convention, which is like a lake in the Mahawthadar's case; she plotted and attempted to replace the state constitution — the soul of the nation — with the soul of the ogress. When she could not influence and destroy it, she began to reveal her ogre nature more and more. The modern-day ogress relentlessly criticized the National Convention which has a pure, tranquil, and peaceful nature like that of the lake in Mahawthadar's story. The ogress stole and consumed the state constitution which is like the heart of a small son, and blatantly plotted to replace it with a charter for servitude under the ogress granted by the country of the ogres [referring to the U.S.] and called it the state constitution.

The charter for servitude under ogres contained provisions which would lead to the disintegration of the indigenous people of the Union — who are like limbs that make up the body of the small son [in the Mahawthadar story] — and an opportunity for the imperialist ogres to enter, loot, destroy, and exploit a country weakened and destroyed by internecine wars. The country of the imperialist ogres systematically made plans to implement this scheme by selecting and assigning this modern-day ogress. In other words the modern-day ogress can be called a puppet who is carrying out instructions of the country of the imperialist ogres.

[17 July, p 3] The modern ogress, who is pretending to be the mother, will not be saddened and pine and cry for the country which is not her own even if the nation and the people are ruined with people's skeleton piling up and their blood flowing into the ocean. She will turn the scorched land into palace grounds and the people's skeletons into a throne and wash her feet with the blood of the people and anoint herself as an empress under the influence of the country of the ogres. That was why she cruelly carried out a plot to destroy the country by instigating national unrest and creating anarchy [in 1988]. [passage omitted on foreign instigations]

Now the emperor ogre [the U.S.] decided at its ogres congress to send ogre representatives to urge the six neighboring countries to participate and support the modern ogress' conspiracy to destroy the country, create disintegration of the Union, and lead to loss of national sovereignty, reversion to servitude, and opposition to the Defense Services. However, neighboring countries, who are good neighbors and observe their mores, did not support the conspiracy of the modern ogress as expected by the single superpower — the ogre emperor — and openly declared to the world that they do not wish to

interfere. So the imperialist ogre emperor was greatly embarrassed when the modern ogress was warned to behave to maintain her modesty and prestige. [passage omitted on further comparison between the modern ogress and the Defense Services and people's opposition to her expressed in rallies]

Be that as it may, the future does not hold well for the modern ogress who will end up shamelessly in the spittoon of the people because the people know well that she is not the real mother, but an ogress who is no longer a human being like in the story of Mahawthadar.

Burma: Article Notes SLORC's 'Subdued' Approach to Martyr's Day

BK1907052396 Bangkok THE NATION in English
19 Jul 96 p A10

[Article by Aung Zaw: "Martyr's Day: Let Us Forget (For A Time)"]

[FBIS Transcribed Text] It's business as usual for Burma's official press, which continues to criticise Aung San Suu Kyi and the democracy movement. Among the adjectives being used to describe Suu Kyi are "destructionist", "darling of the West", "puppet princess and stooge of foreigners", "trouble-maker" and "woman married to foreigner who cannot be trusted".

But despite the abuse piled on Suu Kyi, her father, Gen. Aung San, remains an indisputable national hero. The generals who are running the country insist they are following in his path.

Today, Burma will commemorate Martyrs' Day. Officials from Suu Kyi's National League for Democracy said she will attend the official ceremony, which marks the assassination of Aung San and six of his ministers in 1947.

Many observers say the run-up to this year's ceremony has been subdued and praise for modern Burma's founding father has been less than effusive.

The government has not announced its usual literature and essay competition about Martyrs' Day. Additionally, there has been no mention about it in the official press. Usually, prior to the ceremony, Aung San's picture and his past speeches are printed along with a story on his life and struggle for independence. At schools, teachers recall the heroes' deeds or invite writers to talk about Aung San.

"For SLORC, [State Law and Order Restoration Council] mentioning and praising Aung San is embarrassing because they have never ever followed what he said," said Win Min, a former medical student.

Another reason for the junta not mentioning anything about Martyr's Day could be the fact that they regard his daughter as their enemy.

"It would be absurd for them to honour Aung San and criticise his daughter at the same time," said a Bangkok-based diplomat.

But Rangoon residents said something else is going on. There is speculation in that Gen. Ne Win, 85, is close to death. "He is very sick, his health has deteriorated, and he is about to die," one resident claimed.

Indeed, there has been no shortage of rumours on Ne Win's health and his imminent death.

Two weeks ago, when two top generals abruptly left a party in Rangoon, some diplomats and observers speculated that "the old man's" health was declining.

What will happen should Ne Win die?

Says Tin Maung Htun in Rangoon: "No one cares about Ne Win. We always remember him as the one who ruined the country." Speculating on when Ne Win will die is a popular pastime for many Burmese.

Ne Win's "Burmese way to socialism" made Burma one of the poorest countries in the world, although he and his close followers are among the richest in Burma and Southeast Asia. Moreover, his young associates remain very much in power. It was Ne Win who commanded his generals to establish the SLORC and gave the green light for the bloody coup in 1988. Though he officially retired in 1988, many believe he still pulls the strings of power.

"Aung San never wanted to see soldiers running the country. He wanted them to cultivate and protect democracy," says a former army major now based in Thailand. He stressed Aung San knew where soldiers had to be confined — in the barracks. But former NLD [National League for Democracy] member Aung Saw Oo said: "We don't want him to die. We want to bring him to justice."

"The junta is restless about Ne Win," says a Rangoon-based diplomat. "Besides Suu Kyi, there are many problems that must be settled," he added.

Indeed, while no one can actually confirm the condition of Ne Win's health, there was news last week from Rangoon that the SLORC chairman had been hospitalised. Recent reports indicate that senior Gen. Than Shwe, 63, might retire in the near future, especially since as he was hospitalized a few weeks ago. Diplomatic sources said Than Shwe had a medical check-up and stayed at the hospital for a few days. But other sources claim that he is suffering from a brain hemorrhage. He has

apparently stopped conducting his routine visits and inspection trips.

It was believed that since last year Than Shwe has been preparing to retire.

But the question is who will become vice chairman of the SLORC since the current vice chairman Gen. Maung Aye is being groomed to take over the top position. "SLORC," according to one recent observer who had a rare chance to meet with some top officials, including Lt. Gen. Khin Nyunt, "has lost confidence."

Whenever Ne Win's compatriots died in the recent past, the junta handled the funeral services carefully. When President San Yu died early this year, the funeral was conducted quietly at an army-controlled area.

Former president Dr Maung Maung, who ruled for only a month before dying in 1994, was given an ordinary funeral. Because of this, it is believed that Ne Win summoned Lt. Gen. Khin Nyunt to express his disappointment with the way they conducted the funeral.

At that time, Burma's professors and dissidents speculated that the old man was worried about his future funeral.

Is he really sick? Is he dying? For the SLORC, Ne Win is a hero. Certainly, the generals are worried about their godfather. But they should worry more about their future.

During last Saturday's gathering at her residence, Suu Kyi said formal ceremonies were not necessary to honour the country's national heroes.

"In my opinion, we honour our dead leaders, not by holding formal ceremonies, but by doing what they would have wished us to do," she stressed.

Burma: Election Commission Accepts Resignation of Kyunhla NLD MP

BK1807152696 Rangoon Radio Myanmar in Burmese 1330 GMT 18 Jul 96

[FBIS Translated Text] U Kyee Maung of the National League for Democracy [NLD], elected during the multiparty democratic general elections as a member to the People's Assembly from Kyunhla Township Constituency, Sagaing Division, voluntarily submitted his resignation to withdraw as an elected representative, citing poor health.

The Multiparty Democratic General Election Commission has accepted his resignation effective today in accordance with Section 11, Subsection E of the People's Assembly Election Law.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Daily Urges Islamic Party To Hold Fresh Polls in Kelantan

BK1907132396 Kuala Lumpur BERITA HARIAN in Malay 18 Jul 96 p 10

[Editorial: "PAS Should Get the People's Mandate"]

[FBIS Translated Text] Reports from Kelantan yesterday stated that Chief Minister Datuk Nik Abdul Nik Mat froze all official duties of the State Executive Council (Exco) members until further notice. As a result, all state Exco members have been forbidden to chair any meetings of their respective committees or subcommittees. In other words, the Kelantan State Government cannot conduct its numerous official services. Therefore, all important services have to be postponed. PAS' [Pan-Malaysian Islamic Party] new action is further adding fuel to the fire regarding the state's prevailing political situation. The state government embarked on a new action on the issue of severance of ties with the Malay Party of the Spirit of 46 (S46) which has yet to be resolved. The new action by PAS will also affect its own Exco members.

We still have a hazy picture on the objective of the PAS action. One thing is clear. The action was taken at a time when the other party was urging a new state election. The S46 and PAS are also exchanging memoranda urging one another to step down from their positions. From our point of view, the Kelantan State Government is beginning to tumble.

The Kelantan State Government should consider the situation serious in view of a call for a new election made by several sectors. Based on this scenario, we predict that the request for a new state election will definitely continue until all parties have reached an amicable solution. Unquestionably, the prevailing situation can jeopardize PAS credibility. PAS, which controls the state legislative assembly with 24 of 43 state assemblymen PAS members, could possibly turn a deaf ear to the request. But for the sake of saving its own credibility, PAS should determine why the request was made. PAS' victory during the last general election was due to its cooperation with the S46. As such, PAS cannot deny this. The seats which PAS captured were unquestionably due to the support of the S46. In fact, PAS cannot claim that its own candidates won the seats through their own efforts. Due to this, the S46 claims that it has the right to ask the state government to seek a fresh mandate from the people. Only through such a move can PAS determine the people's support for the party. The

S46 supporters, who voted for PAS candidates in the last general election, can surely urge state assemblymen in their constituencies to step down. On the other hand, it is also true that PAS can claim that winning 12 seats by the S46 was a result of PAS support. Currently, the only difference is that the S46 is willing to face a new state election, while PAS remains silent about the proposal.

The Kelantan State National Front yesterday also asked the PAS government to dissolve the Kelantan State Legislative Assembly to pave the way for the people to give a fresh mandate following the party's decision to sever its political ties with S46. With the PAS-S46 coalition split, the Kelantan State Government has lost 12 seats held by S46 representatives. The S46 representatives have now been recognized as members of the opposition along with seven National Front representatives. Apart from this, many S46 representatives appointed to positions in state agencies should relinquish their current posts. It should be borne in mind that PAS has severed its ties with the S46. Therefore, there needs to be a major reshuffle. We believe that PAS needs a fresh mandate to carry out such a major reshuffle. Definitely, PAS will not want to be branded an iron-handed party if it sacks all the S46 representatives from state agencies. Moreover, the party claims to be an advocate of Islam. Only through the holding of a fresh state election could PAS' credibility be restored.

PAS should not be afraid to face the people if it truly believes that it has their solid backing. On the other hand, should PAS fail to hold a fresh election, then the people will consider the party afraid of its current position. We truly believe that many state legislative assemblymen are opposed to the proposed state election. We can understand their stance. PAS members can replace four Exco members from the S46 if they are purged. There is no guarantee that they will be reappointed if a new state election is held. In our opinion, under whatever circumstances, PAS needs to make a decision acceptable to the people before the issue can be settled.

Malaysia: National Front Leaders View Political Situation in Kelantan

BK1907081896 Kuala Lumpur THE STAR in English
19 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Shah Alam: Datuk Sri Anwar Ibrahim said he could not understand how the Kelantan government could function effectively if it suspended all its meetings.

The Deputy Prime Minister said: "I don't understand how the Government can run efficiently if no meeting is allowed".

He was commenting on the suspension order signed by Mentri Besar [Chief Minister] Datuk Nik Aziz Nik Mat for all government meetings in the state, including those at district council level.

Nik Aziz had said, however, the order did not affect the state exco [Executive Council] meeting.

Anwar, when asked if the Kelantan state government should be dissolved to pave the way for fresh elections, said: "Let's leave it to them (the state government) to discuss it."

In Pasir Mas, UMNO [United Malays National Organization] secretary-general Datuk Mohamed Rahmat said PAS [Pan-Malaysian Islamic Party] should reveal the names of "outsiders" whom they blamed for the woes in the state.

He said PAS leaders seemed to suggest UMNO was the "dalang" (puppet master) behind the political turmoil in the state.

"I want to make it absolutely clear that UMNO is not involved in any of PAS' squabbles with Semangat [Malay Party of the Spirit of 46] or the palace. Don't blame us for your mistakes," he told reporters after opening a seminar at Pulau Toban, near here, yesterday.

Kelantan Mentri Besar and PAS commissioner Nik Aziz had said he did not blame the state Semangat leaders for the present political turmoil in the state.

He said they were incited by outsiders who had no interest in the state whatsoever.

Mohamed said UMNO was prepared to admit former Semangat members at any time.

"Their leaders have contacted me for forms, and I said we are ready and will facilitate their admission," he said.

In Kuala Terengganu, Kelantan Barisan Nasional [National Front] chairman Datuk Annuar Musa said the coalition would continue to pressure the PAS state government to dissolve the state assembly for a snap election.

"PAS should accept the fact that the state government no longer has the people's mandate when it broke off ties with Semangat," he said.

Singapore

Singapore: Authorities Seize Over 3,620 Pirated CD's During Raid

BK1907095596 Singapore THE STRAITS TIMES
in English 18 Jul 96 p 37

[Report by Dominic Nathan]

[FBIS Transcribed Text] A major distributor of pirated compact discs (CDs) was raided by a music industry watchdog group and the police last week, as enforcement action was stepped up to counter the growing CD piracy problem here.

Just over 3,620 allegedly pirated CDs were found in the house and car of the man suspected of supplying street and night-market stalls. The day's haul was more than the total number of pirated CDs seized for the whole of last year.

It was the 20th raid this year according to the industry group, the International Federation of the Phonographic Industry (IFPI).

Pirated CDs worth an estimated \$9.5 million or 13 percent of the retail market, were sold here last year, up from 5 percent in 1992, when the retail pie was much smaller.

The growing piracy problem was also cited as contributing to the music industry recording its second straight year of falling retail sales.

CDs and cassettes valued at \$108 million were sold here last year, a drop of 3.6 percent from 1994.

The music industry had its best year ever in 1993 when the cash registers rang in \$118.7 million in sales, before falling to \$112 million in 1994. The retail slump, the strong Singapore dollar, and the growth in parallel imports were also blamed for falling retail sales.

Miss Leong May Seey, IFPI's Hong Kong-based regional counsel, said: "We are very concerned with the level of CD piracy in Singapore and are investigating the sources of supply of pirated CDs."

IFPI's latest raid came after three months of surveillance.

The suspected distributor was believed to be supplying street and night-market stalls. But he was difficult to pin down because he usually kept the CDs in his car and moved from place to place.

In the raid conducted last Thursday, just over 2,000 CDs in the suspect's car and another 1,620 in his house in Shanghai Road were found.

Several boxes of CD jackets were also found.

Among the CDs seized were recordings by local artistes Jimmy Ye and Kit Chan; popular Cantopop singers Andy Lau, Jacky Cheung, and Faye Wong; as well as international artists such as George Michael and the Cranberries.

So far this year, about 6,000 pirated CDs have been seized, up from 1,390 recovered in 1995 and 551 in 1994.

Convictions have also been going up.

There were 27 convictions which resulted in fines totalling \$113,400 in 1994. Last year, there were 35 convictions, for which the fines came to \$234,000.

Commenting on the difficulties faced in policing piracy in the street stalls, Miss Leong said: "By the time we get the warrant, they would have packed up and moved on."

Singapore: Official: Two-Party System Would 'Compromise' Standards

BK1907052696 Singapore THE STRAITS TIMES
in English 19 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Singapore cannot have an effective two-party political system because it has difficulty producing even one set of Cabinet ministers, said Deputy Prime Minister Lee Hsien Loong.

Instead, Singapore had opted for one very good team which changed anyone who was not good, but did not change teams, he told undergraduates at the National University of Singapore on Wednesday.

Replying to a student who asked about the possibility of a two-party system during a 45-minute forum that followed his speech, Brigadier-General (BG) (NS [National Service]) Lee said that to produce two sets of Cabinet ministers in a two-party system could compromise the standards of government.

The choice for Singapore, he explained, was between a system where the people decided between two "not very good" governments or where there was one very good team which said plainly it was "flying without a safety net and doesn't take any chances".

Singapore had chosen the latter and this was the right way judging from the difficulties and disruptions faced by other small countries which had regular changes of government.

But, he added, it was possible that Singapore's one-party system would not last forever.

Citing the examples of Japan and Italy, where corruption had ruined such systems, he urged Singaporeans to go for one team which stayed straight, honest and capable.

Asked if a strong civil service could safeguard against an ineffective government, he noted that it was equally difficult to hire good men for the civil service and there were many things that ministers could do which Permanent Secretaries could not.

Likening the role of civil servants to that of an aircraft's auto-pilot, he said that they were a great help when flying straight because they allowed the pilot, or minister, to sit back and think about where the obstacles and opportunities were.

"But if you want to change course, if you want to decide where to go, if you want to carry people, explain policies ... then it must be the elected representatives who take responsibility," he said.

In Singapore, when ministers were questioned by the opposition in Parliament, they could not act ignorant and leave the civil servants to explain policy decisions.

During the forum, BG Lee was also asked how Singaporeans could speak up on national issues without the fear of being ridiculed as opposition leaders were.

In reply, he pointed out that people who dared to speak up in other countries often faced far worse consequences such as imprisonment or death. In Singapore, all the Government asked was that arguments stood up to a "rigorous test of transparent logic".

"Being non-vocal can be irresponsible, but being vocal does not mean that you are automatically responsible. It depends on whether you speak sense. You can only be ridiculed if you speak nonsense ... I don't think that looking at the opposition is any way to decide whether you should speak up or not. If you have the confidence and conviction, you speak up."

Cambodia

Cambodia: Kidnapper of British Deminer Given 5-Year Jail Term

*BK1907095496 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 19 Jul 96 p 5*

[Report by Vong Mul]

[FBIS Translated Text] A report from Siem Reap Province said one of the terrorists who kidnapped Briton Christopher Howes and an interpreter working for the MAG [Mines Advisory Group] in the province on 26 March 1996 has already been arrested and sent to the tribunal for trial by the Siem Reap provincial authorities.

The captured terrorist is Chiep Chet, 27, a former Khmer Rouge soldier, who surrendered in 1995.

The Siem Reap provincial tribunal sentenced Chiep Chet to five years in prison on 12 July 1996 on charge of illegal detention and serving Khmer Rouge policy.

Chiep Chet, who admitted his guilt, was born in Chup village, Svay Chek commune, Angkor Thom District, Siem Reap Province. Police caught him at his house.

So far, the fate of the two hostages is still unknown.

According to police investigation, Chiep Chet received 500 baht [Thai currency] from the Khmer Rouge and agreed to collude with them to kidnap the two hostages. The accused, however, told the tribunal that he had not received the money.

A army officer in charge of the investigation service in Siem Reap Province said that on the eve of the kidnapping of the Briton in Siem Reap Province, Ta Mok [notorious one-legged Khmer Rouge leader] had ordered the abduction of foreign deminers before the celebration of the Cambodian traditional new year. This was to create turmoil in the wake of the government forces launching offensives to wrest back Pailin and the Preah Vihear temple from the Khmer Rouge.

Cambodia: LCJ Urges Measures Against Threats to Press

*BK1807142596 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 18 Jul 96 p 2*

[Statement issued by the League of Cambodian Journalists on 15 July; place not given]

[FBIS Translated Text] Recently, despicable activities have re-emerged in a more cruel and harmful way against the Cambodian journalists who dared to express their personal views or comment about current and past events. These activities are:

At 1030 on the morning of 9 July 1996, there was a phone call telling Pen Cheng, chief editor of REAKSMEI KAMPUCHEA, to hurry home because of an urgent matter. The anonymous caller said that he was calling from Pen Cheng's house. If Pen Cheng had gone home at that time, he would certainly have fallen into that man's trap half way home. However, Pen Cheng's wife happened to learn about the phone call, so this evil plan failed.

Also on 9 July, at 0900, five men armed with guns and handcuffs in a dark colored jeep arrived at the house of Lip Ratana, editor of the SATHEARANAKROAT newspaper. The men asked who Lip Ratana was. But Lip Ratana was able to keep one step ahead

and immediately telephoned the League of Cambodian Journalists [LCJ], which in turn telephoned the Royal Military Police [RMP] to inform it of the event. The RMP then went to intervene at the scene. After an inquiry by the RMP, the men went away.

On 15 July, there were three anonymous phone calls threatening the editor of REAKSMEI ANGKOR newspaper saying something like: You guys know too much about the palace issues. If you do not want to get into trouble, you should quickly close down your newspaper. They also used many other bad words. After that, when the REAKSMEI ANGKOR editor drove his car out of his office, he saw three armed men on motorcycles chasing after him. They were compelled to quickly turn away after the editor, knowing that there was something unusual going on, drove his car into a place where policemen were standing on guard.

Also on 15 July, at 0830, a group of hooligans wearing para uniforms in a dark colored Land Rover closely followed the editor of the SANGKROAH CHEAT newspaper, who was driving his car, pointing fingers at him as if they had a burning grudge against him. If the editor had not escaped on time, he might have been harmed by the group.

All these events have caused great concern among the journalist circles.

The LCJ believes that so long as their despicable activities are not properly suppressed, they will certainly continue to harm the Cambodian journalists, both members and nonmembers of the LCJ, whenever they think that those journalists can undermine their evil plans.

The LCJ regards these activities as an attempt to gag the journalists and destroy the freedom of the press in Cambodia. This is a most despicable, barbarous, and cowardly act, which cannot be tolerated.

As an organization serving the interests of journalism, the LCJ strongly condemns these despicable activities and the ringleaders who arranged these activities and calls on the competent authorities to urgently arrange effective measures concerning the aforementioned events. At the same time, the LCJ would like to call on all the international organizations currently in Cambodia to kindly arrange measures to protect the freedoms of the Cambodian journalists, both members and nonmembers of the LCJ.

Phnom Penh, 15 July 1996

President of the LCJ, Chum Kanai

Cambodia: Khmer Rouge Rejects Phnom Penh Nationalities Law

BK1907112796 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 18 Jul 96

[Communique issued by the spokesman of the Provisional Government of National Union and National Salvation on 18 July; place not given — read by announcer]

[FBIS Translated Text] I. It is reported that the nation-betraying two-headed assembly, the out-and-out lackey of communist Vietnam, has passed a nationalities law to sell and kill the nation and allow communist Vietnam to swallow and wolf down Cambodia and exterminate the Cambodian race.

The two heads' nationalities law specifies:

— All foreigners in Cambodia can obtain Cambodian nationality after residing in the country for seven years.

— Foreign children born in Cambodia over the past three years can obtain Cambodian nationality automatically.

— Foreigners bringing money to do business in Cambodia can also obtain Cambodian nationality.

II. The substance of the above two heads' nationalities law blatantly kills the nation and kills and exterminates the Cambodian race, allowing communist Vietnam to swallow up and turn Cambodia into a second Kampuchea Kraom.

1. The law leaves the door open for nearly 5 million Vietnamese, who are now in the process of swallowing up Cambodia, to obtain Cambodian nationality. Along with this, the law also leaves the door open for new Vietnamese to flow in further to acquire Cambodian nationality. Each year, these Vietnamese give birth to hundreds of thousands of children who also acquire Cambodian nationality. The 5, 6, 7, 8, 9, or 10 million old and new naturalized Vietnamese have competed in grabbing land and the national economy of the Cambodian people in a wholesale manner. They have become entitled to political rights, the right to vote, the right to control state affairs, be they military or civilian. They have become the masters of Cambodia in all fields and sectors.

2. The law allows unscrupulous merchants to rob water, land, and the economy of the Cambodian nation and people; to compete in devouring the flesh and sucking the blood of the nation and people, and killing the nation's sovereignty with impunity in accordance with their cruel and barbaric nature.

According to the law of the two heads, all kinds of international criminals and killers, heroin traffickers, kidnappers, abductors who catch children for sale, and villains can freely come and live in Cambodia and can haughtily acquire nationality and rights as Cambodians.

3. Who has forged the law? It is communist Vietnam, Hun Sen, Chea Sim, and Sar Kheng. They have forged it according to communist Vietnam's strategy of swallowing up and converting Cambodia into a territory of communist Vietnam.

The two heads' nationalities law most clearly specifies that the two heads' government, assembly, army, police, tribunals, and military and civilian administrations in Phnom Penh and the provinces, districts, communes, and villages do not belong to the Cambodian nation and people absolutely. They belong to communist Vietnam.

No Cambodian has codified such a law to kill his own nation and people and annihilate his own race. In Cambodia's history, no government has drafted any law to sell and kill the nation, to exterminate the Cambodian race, to allow Vietnam to swallow up Cambodia, and to permit foreigners to rule over the Cambodians in such an easy manner like the nation-betraying two heads, who are the out-and-out lackeys of communist Vietnam.

The Vietnamese in Cambodia are not ordinary foreigners or immigrants. They are the invading forces swallowing up Cambodia in all fields and sectors. Absolutely, they must be expelled from Cambodia.

4. The nation-betraying two heads, who have forged the nationalities law to kill the nation and people, to annihilate the Cambodian race, and to allow communist Vietnam to swallow up Cambodia, have committed a heavy offense. They must be punished before the Cambodian nation and people and Cambodia's history for their race-exterminating crime. The law violates the self-determination rights of the Cambodian people, international laws, and the UN Charter.

5. Moreover, the Cambodian nation and people have more clearly distinguished the patriots from the traitors who are selling and killing the nation.

The nationalities law drafted by the Provisional Government of National Union and National Salvation (PGNUNS) and the nationalities law of the nation-betraying two heads are completely contradictory, completely different like sky and earth, day and night. The PGNUNS's nationalities law is for saving the nation and protecting the nation and people, while two heads' nationalities law kills the nation, sells the nation, and gives communist Vietnam a free hand to exterminate the Cambodian race and the unscrupulous foreigners to devour and kill Cambodia with impunity.

6. The Cambodian nation and people and the PGNUNS vehemently oppose and categorically reject the law. Cambodians in all circles in the rural and urban areas, at home and abroad, absolutely reject the nationalities law of communist Vietnam and the nation-betraying two heads, who are the out-and-out lackeys of communist Vietnam and the alliance. The entire Cambodian nation and people will continue to join forces to struggle against the two heads to prevent them from enforcing, with impunity, the nation-betraying, nation-killing, and nation-selling law, at all costs.

The two heads have burned our nation and people and allow no Cambodian to remain with arms folded. So, the Cambodians have to rise up and struggle everywhere, including in Phnom Penh and the countryside. In particular, they have to struggle to destroy communist Vietnam's village and communal administrations with a view to ending the war being continued by communist Vietnamese, the alliance, and the two heads. This is to restore peace, national reconciliation, the nation, and a state belonging to the nation and people.

18 July 1994 [date as heard]

The PGNUNS spokesman.

Philippines

Manila Urges 'Gradual Liberalization' of Telecom Industry

BK1907032396 Manila BUSINESS WORLD
in English 19 Jul 96

[Report by Paul N. Villegas — received via Internet]

[FBIS Transcribed Excerpt] Christchurch, New Zealand — The Philippines wants gradual liberalization of the telecommunications industry both within the context of the Asia-Pacific Economic Cooperation (APEC) and the multilateral trading system of the World Trade Organization (WTO).

Trade and Industry Undersecretary Cesar Bautista said that while the Philippines supports efforts to open up the telecommunications sector, the country is not prepared to face stiff competition from the more technologically advanced and cash-rich players in the region. "We want to do it gradually because we are still developing our telecommunications industry... We don't want it yet to be completely liberalized where 100% foreign ownership and participation is possible because that's really what this whole thrust of liberalization in APEC and the WTO is all about," he said.

The liberalization of the telecommunications sector is one of the key areas which APEC is currently looking at as part of its overall goal to create freer trade

and investment environment in the region. The result of APEC's thrust to liberalize the region's telecommunications sector is expected to bring a positive influence on the outcome of the negotiations in Geneva under the WTO umbrella. [passage omitted on Trade Representative comments]

Philippines: Suspected Pakistani Terrorists Acquitted

BK1907063596 Quezon City Radio Filipinas in English 0230 GMT 19 Jul 96

[FBIS Transcribed Text] Six Pakistanis, whom Philippine police alleged have links with foreign extremists, were acquitted by Manila court on Thursday of charges of illegally possessing explosives.

Judge Josefina Guevarra-Salonga said police evidence against five of the accused was weak and unconvincing, while testimony of prosecution witnesses against the other accused Mian Abid Mahmud bore badges of falsehood. The five other Pakistanis are Mohammad Anis, Mohammad Alam, Mian Mahmud Basit, Raza Khurshid Hashemi, and Parvez Baghi. Police have suspected the six of having links to foreign extremists when they were arrested in December last year court records showed. They were released on bail earlier this year.

The arrest coincided with the police manhunt for supposed accomplices of Ramzi Yusuf, an Islamic militant on trial in the United States on charges of plotting to bomb a U.S. passenger jet in Asia and the Pacific.

They were also arrested at a time when police had come under fire from the media for allegedly planting evidence against suspected criminals. The six had pleaded not guilty saying the explosive materials, which police said they confiscated from them, were planted on them.

Philippines: Ramos, Libya's al-Qadhafi Reportedly Met on Mindanao Talks

BK1907025696 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 18 Jul 95

[FBIS Translated Text] House Speaker Jose De Venecia has said the Filipino people should be grateful to Libyan President Mu'ammarr al-Qadhafi. According to De Venecia, al-Qadhafi played a major role in the soon-to-be attained peace in Mindanao. Tina Panganiban has more details:

[Begin recording] [Panganiban] Many believe that peace in Mindanao will soon be achieved; however, according to House Speaker Jose De Venecia, one of those who greatly assisted in achieving this was Libyan President

Mu'ammarr al-Qadhafi. De Venecia and President Ramos visited al-Qadhafi just before the national election in 1992 to ask for his assistance in convincing Nur Misuari, Moro National Liberation Front [MNLF] chairman, to join the peace negotiations.

[De Venecia, in English] Well, as pointed out by President Ramos, he and I flew to Libya in 1992 to get the support of President al-Qadhafi of Libya, as we met there in his tent in North Africa, in the Libyan desert; and it was a very successful trip, but we could not announce it because Colonel al-Qadhafi still had to convince Nur Misuari.

[Panganiban] There were reports that President Ramos made a trip to Switzerland to negotiate the [former president] Marcos wealth; but, according to De Venecia, they actually went to Libya. At the airport in Tripoli, they were met by Libyan officials who escorted the president's group to the city of (Certi). From there, they travelled through the desert for two hours to the tent where al-Qadhafi holds office. Four years after the trip, many developments have taken place in Mindanao and in the MNLF. Nur Misuari will participate in the election and the Southern Philippines Council for Peace and Development will be established.

[De Venecia, in English] The biggest dividend, the biggest fruit of that visit, is now this emerging peace agreement in Mindanao and our success in convincing Nur Misuari to be our official candidate for governor; because now, Misuari has been, has evolved from a powerful enemy to a powerful ally.

[Panganiban] Tina Panganiban, GMA Balita [News]. [end recording]

Philippines: MILF Faction Claims 100,000 Membership

BK1907082596 Manila PHILIPPINE DAILY INQUIRER in English 14 Jul 96 p 17

[Report by Carolyn O. Arguillas and Nico A. Alconaba]

[FBIS Transcribed Text] Davao City — The entry of the Moro National Liberation Front (MNLF) into mainstream politics closed a chapter of the group's revolutionary struggle but did not guarantee that peace has finally descended on Mindanao.

The task to "decolonize" the Bangsa Moro people was passed on to the Moro Islamic Liberation Front (MILF), a faction which broke away from the MNLF in 1978, two years after the collapse of the Tripoli Agreement of 1976.

"We welcome the torch," Ghadzali Jaafar MILF vice chair for political affairs, told the INQUIRER yesterday.

"The end of the MNLF war does not mean the end of the Moro people's struggle."

"There will no longer be confusion ... no more MNLF, just MILF," he said.

Jaafar said that even before MNLF Chair Nur Misuari decided to give up on the armed struggle, "many (MNLF members) have transferred to us (MILF)."

Misuari is running for governor of the Autonomous Region in Muslim Mindanao (ARMM) in the Sept. 9 elections under a party coalition of the MNLF and the administration's Lakas-NUCD [Power of the Nation-National Union of Christian Democrats].

He has also been offered to head the SPCPD [Southern Philippines Council for Peace and Development], a body which will oversee development efforts in 14 provinces in Mindanao.

Jaafar said the MILF is fighting for "genuine autonomy," not the kind of autonomy within the autonomous governments set up by the Marcos, Aquino, and Ramos administrations.

"This is the third experimentation with autonomy under a third president," he said. "This doesn't address the root cause of the problem," he said.

Jaafar claims the MILF has 100,000 members with "70,000 to 80,000 firearms." Misuari claims the MNLF has 30,000 members.

The MILF operates in areas within the ARMM.

As part of the SPCPD's tasks, MNLF-government forces will now have to deal with rebels like the MILF.

"If they (MNLF) will run after us, that means they do not want the peace. They will start the fight, not us," Jaafar said.

He said government and the MNLF should not make the mistake of pitting Moro against Moro.

Earlier reports indicate that a peace settlement with the MNLF would mean victory for the other armed groups in Mindanao, including the MILF.

Other armed groups operating in the island include the Moro extremist Abu Sayyaf, the communist New People's Army, and Christian vigilantes Ilaga [rat], and the Christian Liberation Army.

New armed groups, such as vigilantes in Zamboanga City who are opposed to the SPCPD, are also emerging.

Philippines: Senator Reveals 'Arms Landing' in Basilan

BK1907124196 Quezon City GMA-7 Radio-Television, Arts Network in Tagalog 0930 GMT 19 Jul 96

[FBIS Translated Text] Amidst the burning issue in the southern Philippines over the establishment of Southern Philippines Council for Peace and Development, Senator Blas Ople has revealed the occurrence of arms landing in Basilan. Ople said the clandestine arms landing has been repeated a number of times. The senator feared a resumption of bloodshed in the region if the government fails to curb the prevalence of private armies in the region.

Thailand

Thailand: Navy Tests U.S., PRC Tanks Before Placing Purchase Order

BK1907052896 Bangkok BANGKOK POST in English 19 Jul 96 p 2

[Unattributed report]

[FBIS Transcribed Text] Four models of light tanks were sent to the Navy's Chanthaburi-Trad Task Force for testing, a navy source said.

The Navy is in the process of determining which model would be most suited to the terrain where they will be deployed before placing orders for the tanks whose purchase will be financed by a budget from the Supreme Command.

The four models sent for testing are Stingray, M60-A3 and M-48 light tanks built by the United States and Chinese-made T-69s.

Thailand: ASEAN Condemned for Giving Observer Status to Burma

BK1907054396 Bangkok BANGKOK POST in English 19 Jul 96 p 4

[Editorial: "Observer Status for Junta is Short-sighted"]

[FBIS Transcribed Text] The policy of constructive engagement will elevate the military regime in Rangoon to the status of observer at the 29th ASEAN ministers' meeting in Jakarta on Saturday. The State Law and Order Restoration Council [SLORC] will doubtless be delighted that observer status brings with it a degree of legitimacy that will in turn bring the prospect of greater inward investment. The people of Burma will have little reason to celebrate because the gesture legitimizes a regime they rejected in an election it chose to ignore.

ASEAN's motive in pursuing the policy is noble but naive. If Ali Alatas, Indonesia's foreign minister, believes that quiet diplomacy will bring about reconciliation between the SLORC and the National League for Democracy, he is an optimist. The generals had ample opportunity to talk things over with Aung San Suu Kyi, Burma's democracy leader, in the six years in which they held her under house arrest in Rangoon. The avenue remains open but the generals are no more likely to accept reality now than they were when they were humiliated in the 1990 election.

By making clear ASEAN's opposition to economic sanctions and isolation, Mr Alatas has chosen to follow Margaret Thatcher's misguided steps when she fought tooth and nail against tough measures against the white regime in South Africa. In 1987, the British prime minister defended her position by saying: "The African National Congress is a typical terrorist organization and anyone who thinks it is going to run the government in South Africa is living in cloud cuckoo land."

President Nelson Mandela, who this week was a guest of Queen Elizabeth, knows better. It was international sanctions that forced the white regime to agree to elections in which his African National Congress won power. It is also worth noting that Mrs Thatcher's "typical terrorists" today sit alongside politicians who had been their oppressors. As a young democracy, South Africa has its problems but it has the ability to contribute to Africa, where many states regard it as a success story in which quiet diplomacy played little part.

The military regime in Burma certainly has a lot to offer, not least in terms of cheap labour, natural resources and markets for foreign goods. It will soon be in a position to acquaint ASEAN with its own brand of diplomacy, one that is characterized by outrageous demand; bluster and threat. It can teach other states how to hit back at its political opponents with cheap and xenophobic insults of the sort bandied about in junior school playgrounds. It provides Thailand with tides of refugees and frequent visits by its own soldiers and their bandit allies in the Democratic Karen Buddhist Army. It provides sanctuary and business opportunities for Khun Sa, whose heroin has caused misery throughout the world, including member states of ASEAN. It provides its people with valid reasons to live in fear.

Multinational companies not normally noted as champions of human rights have pulled out because they have the intelligence to recognise the commercial damage they are likely to sustain from an association with the Rangoon junta. As international demands for tough measures become increasingly louder, so ASEAN's policy

of quiet diplomacy becomes little more than a whisper in the ear of a junta that has yet to learn to listen.

If constructive engagement is as neutral a policy as its proponents insist, it should be fair to both sides. It is puzzling, therefore, that an illegitimate junta has been afforded observer status while the outright winner of the 1990 election has not.

Thailand: Foreign Minister on Canadian Counterpart Meeting

BK1907082296 Bangkok Radio Thailand Network in Thai 0530 GMT 19 Jul 96

[FBIS Translated Text] Amnuai Wirawan, deputy prime minister and minister of foreign affairs, reported on his meeting with Canadian Foreign Minister Lloyd Axworthy, who is currently visiting Thailand and Hong Kong from 18-25 July.

They discussed the enhancement of trade between Thailand and Canada and preparations to welcome Canadian Prime Minister Jean Chretien, who will be visiting Thailand early next year with 250 Canadian businessmen. Their discussions also touched on bilateral cooperation in solving the problem of child labor abuse. Regarding this issue, the visiting Canadian foreign minister expressed his satisfaction with Thailand's active implementation of measures against child labor abuse. Amnuai added that Canada has strict laws against child labor abuse. Should a Canadian commit an illegal act involving child labor abuse, or child prostitution, in another country, in addition to facing legal action in that country, that person is also regarded as violating Canadian laws.

Thailand: EU 'Open' to Further Negotiations on Duty Program

BK1907063796 Bangkok BANGKOK POST in English 19 Jul 96 p 17

[Report by Saritdet Marukthathat]

[FBIS Transcribed Text] The Thai delegation led by Deputy Foreign Minister Pracha Khunakasem has returned from Europe without any promise by the European Union to reconsider its controversial new import duty concession programme.

But the EU has left the door open for further negotiations, Mr Pracha said yesterday.

At stake are special import duty cuts granted to exports from developing countries under the EU's Generalised System of Preferences programme. The EU is introducing a new programme that will reduce the cuts granted to 17 Thai products, meaning that these products will face

import duties much closer to the regular rates charged on products from richer countries.

Mr Pracha said after returning from talking with EU officials in Brussels that the EU had agreed to leave the matter for senior officials to settle before the new programme start on January 1 next year.

As a special envoy of Prime Minister Banhan Sinlapach, the deputy minister held talks with vice president of the European Commission Manuel Marin, who oversees GSP programmes, Irish Prime Minister John Bruton, current holder of the 6-month EU presidency along with former and future presidents.

He presented Mr Banhan's message to them to express concern over impacts on Thai exports.

He admitted that the effort was very difficult because the EU had already made the decision but said Thailand had to find other measures to lessen troubles of exporters.

"At least they gave us a chance and a forum," said Kopsak Chutikun, director general of the Economic Affairs Department of Thailand's last ditch effort to help exporters. It depends upon Thailand to gather information and join hands in talks with the EU, he added.

GSP programmes are designed to help developing countries export to richer markets through special concessionary duty rates. Under the new programme, the EU is setting new basic rates based on the degree of "sensitivity" of each product. It is also categorising Thailand as a partially developed country, meaning that Thailand will only enjoy half the duty cuts normally granted under the basic programme.

The new programme, due to take effect from January 1, affects 17 Thai products. These Thai products will be removed from the GSP programme from January 1, 1999, when they will be charged the full normal import duty rates.

Mr Pracha said he will meet with the EC representative and ambassadors of the EU member countries soon to express concerns about the decision to their governments.

Thailand will raise the issue again when the EC vice president visits Thailand on July 31 as part of the Southeast Asian trip, Mr Kopsak said.

The first round of talks between senior Thai officials, led by Mr Kopsak, and their EU counterparts, headed by director-general of the North-South Relations Department Pierre Defraigne, took place on Wednesday in Brussels.

Mr Kopsak, who headed the Thai delegation, said there are seven options for tackling the GSP cut and the best possibilities are persuading the EU to allocate special quotas for products from Thailand or providing aid to Thailand products as it did under the agreement limiting Thai tapioca exports.

Other alternatives including extending the deadline, withdrawal Thai products from the list, provide incentives or name Thailand as a country actively helping crack down on narcotics, he said, admitting that those are almost possible.

The last resort, he said, is to raise the case to the World Trade Organisation to complain about the double standard of the EU.

"We don't want to go that far because it will cause bad feeling for both sides," he said.

Frozen shrimps are the most concerned product because they led exports from Thailand to the EU.

The commodity generated about 10,000 million baht of income to Thailand.

"It will affect growers, most of whom are owners of small-scale farms in the South," he added.

The EU has granted GSP for Thailand since 1971 to aid Thai products to be more competitive in the European market.

Thai Exporters Say Tariffs, Slow Refunds Decreasing Exports

BK1907050896 Bangkok THE NATION in English
19 Jul 96 p B1, B2

[Report by business reporters]

[FBIS Transcribed Text] Exporters attributed the sharp decline in exports during the first six months to high tariffs on raw material and slow tax refund processes, which force exporters to wait for eight to 10 months to get their money back.

At a meeting with the Commerce Ministry, exporters urged the government to use tariffs to help them cut production costs to remain competitive in world markets.

Business leaders discussed problems relating to exports directly with government officials at the joint meeting yesterday. In the first four months of the year, export growth declined to 7.2 per cent, compared to more than 20 per cent last year. Labour-intensive sectors such as the textile industry experienced drastic declines.

The exporters said the government should accelerate tax refunds and restructure tariff rates to lower the duties on raw materials.

They also attributed the sluggish export performance to expensive freight services and high transport costs.

Ratchantha Posanasuthon, deputy director-general of the Business Economics Department, suggested that Thai exporters try to add value to their goods instead of focusing on agricultural goods.

Exporters should maximise the use of the country's limited natural resources by adding value to them, he said.

He also attributed the declining export growth to the government's campaign to promote Thai investment overseas. He said transfers to lower-cost producers such as China and Vietnam might be enabling those countries to steal market share from Thailand.

He was positive Thai producers could maximise the use of the country's limited resources, forecasting that by the end of the year Thailand should be able to export 30,000 tonnes of processed chicken, compared to some 20,000 tonnes last year.

He noted that Thailand's overseas manufacturing facilities might also be contributing to the current account deficit. In some cases, investors have not returned their profits to Thailand but kept the money offshore for further investment.

The exporters also asked the government to use the special provisions under Article 19 to approve tax exemptions for raw materials.

Chawalit Nim-la-o, president of the Thai Garment Manufacturers Association, said Thai textile exports to the U.S. grew by 5 per cent in the first half of this year, exports to Japan grew 8 per cent in the same period and those to the EU increased only 3 per cent.

However, Thai exports to Eastern Europe and the Middle East performed worse, declining 21 per cent. Exporters said the main problem affecting their competitiveness is the slow tax refunds. They said the government should also consider reducing the tariffs on raw materials from the current rate of 5 to 7 per cent.

This year, Thailand should be able to export Bt (Baht) 112 billion worth of textiles and apparel, up 5 per cent from last year, compared to the government's earlier target of Bt132 billion.

Thai textiles and apparel should also perform better in new markets such as Eastern Europe and the Middle East and exporters have welcomed the government's de-

cision to allow labour imports. They said the announcement came at the right time because products demanded by the new markets are low-end, labour-intensive goods.

Thamrong Khunoprajan, president of the Synthetic Fibre Manufacturers Association, said the Bt5.5 billion target for exports of synthetics is too high considering the country exported only Bt2.1 billion worth of goods in the first half of the year.

Indonesia has snatched low-end markets from Thailand largely due to its lower production costs.

He said Thai exporters are still burdened with 7 per cent tariffs on raw materials, largely petrochemical products. Raw material costs account for as much as 65 per cent of total production costs.

The producers also urged the government to reduce import duties on machinery to zero.

Somsak Saengphao, secretary general of the Thai Plastic Producers Association, said plastic exports should reach Bt43 billion by year end, compared to Bt52 billion last year.

Indonesia has also taken the market for basic plastic products such as bags from Thailand due to its lower costs.

He said the government should help exporters by compensating for raw materials wasted in the production process.

Some 25 per cent of raw materials are estimated to be lost during production, which producers say should be compensated for by tax refunds.

Thailand exported less to the EU, which accounted for 40-50 per cent of the country's total, largely due to strong competition from products from Indonesia.

The 20 per cent market share of Thai goods in the U.S. and Japan remained unchanged in the first half of the year.

Phichit Chongsathitwarthana, an executive at a major footwear exporter, said the main competitor for footwear is Vietnam.

In the first six months, Thailand exported Bt17 billion worth of goods, down 36 per cent from last year. He said the slow value-added tax refunds are the main problem causing Thai exporters to fail in world markets.

At the same time, he suggested that producers need flexible production systems to tap high-end markets because low-end producers such as Vietnam and China are catching up with Thailand. * Other exporters voiced concern that banking fees have also increased rapidly over the past months.

In addition, some producers are burdened with social security payments because their workers fail to understand why 1.5 per cent of their salaries must be deducted under the new social security system.

Thailand: Officials Meet To Revise 1996 Export Targets

BK1907063996 Bangkok BANGKOK POST in English 19 Jul 96 p 15

[Report by Somphon Thapphanachai]

[FBIS Transcribed Text] The Commerce Ministry has confirmed that its 1996 export target of 1.6 trillion baht is still achievable, but the country's exporters aren't so sure.

Officials from the Business Economics Department yesterday met with private-sector representatives in the first day of a two-day meeting to discuss export targets and to consider the export picture for the second half. Slow exports in the first half caused widespread concern

Participants will meet again today to finalize a revised export target before submitting it to Commerce Permanent Secretary Somphon Kiatphaibun.

The department reported that exports in the first four months of 1996 reached 458,663.6 million baht, up just 7.02 percent from last year. It has estimated exports in the first half at 595,304.8 million baht.

Exports of agricultural products in the first four months were worth 74,235.8 million baht, down 1.55 percent while exports of industrial products reached 264,170.9 million baht, up 7.15 percent.

Exporters said high labour costs, shortages of some raw materials, labour shortages high import tariffs, and trade barriers erected by trading partners had all hurt business.

A representative from the plastic industry said exports of plastic products in the first six months were worth 17 billion baht or 37 percent of the sector's target of 43 billion baht. He said the industry needed more Government support, including tariff cuts on petrochemical products imports.

Meanwhile, representatives from the fisheries sector said exports of shrimp and shrimp products could drop by 20 percent this year to 43 billion baht. They cited a U.S. ban on imports of wild shrimp from Thailand, a European Union decision to cut preferential tariffs under the Generalised System of Preference (GSP) and a Japanese decision to launch stricter product standards.

Leather industry officials also expected exports to fall as a result of the EU's new GSP programme.

Chawalit Nim-la-o, president of the Thai Garment Manufacturers Association, said exports of textile and garment products this year would reach 102,000-112,000 million baht, a drop of 4 percent from 1995.

Sombun Phathaichan, manager of the Rice Exporters Association, said rice exports would meet the five-million ton target, with the value of those exports exceeding the 40 billion-baht target by eight billion baht.

Exporters of poultry products said their exports might not meet targets in terms of quantity. However, the value of those exports would probably meet the target of 10,700 million baht because exporters were producing more value-added processed chicken.

Thailand: Budget Panel Urges Military Role in Decisions

BK1907053096 Bangkok BANGKOK POST in English 19 Jul 96 p 3

[Unattributed report]

[FBIS Transcribed Text] The House Committee on Military Affairs has proposed that beginning in 1998, representatives from the Armed Forces sit with members of the Budget Scrutiny Committee to consider the defence budget.

The proposal follows the recent walkout by Democrat members on the Scrutiny Committee, led by party deputy leader Bunchu Rotchanasathian to protest the refusal of top military commanders to testify before the panel.

Speaking after yesterday's meeting with members of the House Committee on Military Affairs, panel chairman Gen. Sanan Sawetserani said it will today propose to Prime Minister Banhan Sinlapa-acha that two representatives from the military and one from the panel be made members of the House extraordinary committee scrutinising the budget.

The idea is to lessen tension between the military and MPs [Members of Parliament] said Gen. Sanan.

Earlier this week the commanders-in-chief of the three armed services did a no-show when called to testify before the House committee scrutinising defence spending.

Defence Minister Chawalit Yongchaiyut had promised that the commanders-in-chief of the Army, Air Force and Navy and the Supreme Commander would testify before the committee.

But when the time came only Gen. Chawalit, the chiefs-of-staff of the Armed Forces and Defence Permanent Secretary Gen. Phaibun Emphan showed up before the committee.

Meanwhile, opposition figures Bunchu Rotchanasathian, Democrat, Nakhon Sawan, and Chamlong Khrukhunthot, a Chat Phatthana executive, slammed Gen. Chawalit for lacking responsibility and failing to keep his word.

As the row rumbled on, Supreme Commander Wirot Saengsanit said Gen. Chawalit had never told the military about his pledge to the scrutiny panel to have the three Armed Forces chiefs testify.

Gen. Wirot added the military did not know whether Gen. Chawalit had really given the pledge or not.

Gen. Chawalit was reported to have made the pledge during last year's budget committee meeting.

The minister reportedly told Democrat leader Chuan Likphai he had made the pledge to the panel and that he had informed the Armed Forces chiefs to testify before the panel this year.

Gen. Chawalit also told Mr Chuan the military chiefs did not care much about possible consequences of their refusal to appear before the panel to clarify the 1997 defence budget request since they would be retiring later this year.

"The minister has never told the Armed Forces about the pledge. The minister has never told me or the other Armed Forces commanders. He only told the Armed Forces comptrollers and the permanent secretary for defence to testify before the committee and later agreed to have the chiefs-of-staff of the three Armed Forces attend the meeting," said Gen. Wirot who is due for retirement around the end of this year.

A number of senior Democrats who believe Gen. Chawalit was trying to pit their party against the military have raised doubts about the minister's motive.

Mr Bunchu strongly denied Permanent Secretary for Defence Gen. Phaibun Emphan's claim that he had been harshly rebuked by the panel while attending its meetings.

Mr Bunchu said he wanted the Armed Forces chiefs to appear before the budget panel only because that would give its members an opportunity to ask them about the progress of the Armed Forces' work or how they spent their budgets in the previous fiscal year.

Gen. Wirot also lashed back at Democrat MP Chamni Sakdiset who had said the military top brass could not attend the budget panel's meeting because certain military commanders were busy playing golf at the time.

Gen. Wirot described Mr Chamni's remark as "an insult to the military", "aggressive" and "unacceptable."

The general said Mr Chamni was trying to mislead the public into believing falsely that top military officers were playing golf all the time.

Gen. Wirot was playing golf when he was interviewed by reporters about the committee's demand for the military chiefs to appear before the panel.

Thailand: Democrat Party Claims 'Untouchable' Military Controls Media

*BK1907063396 Bangkok THAILAND TIMES
in English 19 Jul 96 p A1*

[Unattributed report]

[FBIS Transcribed Text] Bangkok — The Democrat Party yesterday intensified its campaign against the military and its cozy relationship with the government after two television military affairs reporters who repeatedly asked questions about a controversial arms procurement deal lost their jobs.

"The military is untouchable," Democrat leader Chuan Likphai said.

"The purpose of the government since it was formed has been to gain control of the media," he added.

The two reporters, Suthathip Thiawawat of Channel 7 and Chawida Wathinchai of Channel 9, are said to have become targets of a gagging campaign because they questioned the transparency of the Army's recent purchase of 295 armored cars from a French manufacturer. Another reporter, Channel 3's Benchamat Khelai-akson, is also reportedly on a military blacklist.

It was reported that the directors of all three channels had been threatened by senior military officials about the matter. The directors then called in the three reporters and gave them warnings about their reporting styles.

Soon after, Chawida was transferred to the Channel 9 features section, and on Wednesday Suthathip resigned from her job.

Democrat Secretary General Sanan Khachonprasat said, "The removal of the reporters is crazy. The director of Channel 7 is also crazy. This isn't right".

He said he would make sure this matter was brought to the public's attention and would consult with the other opposition parties about using it in the coming no-confidence debate.

Doubts about the five-billion-baht deal for the armored cars were raised after a leaflet was sent to Channel 7 which alleged that military top brass had taken lucrative backhanders to favor the French company, GIAT Intergrade. The military said the leaflet was

produced by Canadian company Hawkeye Intergrade, which put in an unsuccessful bid.

Democrat Witthaya Kaeopharadai, chairman of the House committee on justice and human rights, said the removal of the reporters might have come about because someone highly influential was not pleased with the questions.

The Democrats have already clashed with the military once this week over the forces commanders' refusal to attend a budget scrutiny hearing.

Vietnam

SRV: Vo Van Kiet, Senior Officials Attend Highway Groundbreaking

*BK1807161496 Hanoi VNA in English
1442 GMT 18 Jul 96*

[FBIS Transcribed Text] Hanoi VNA July 18—Work began today to upgrade Highway 14 from the central highlands Province of Dac Lac to the southern Province of Song Be.

A ground-breaking ceremony was held in at the Buon Ma Thuot City of Dac Lac in the presence of Prime Minister Vo Van Kiet, Mr. Nguyen Tan Dung, member of the Political Bureau Standing Board of the Communist Party, Deputy Prime Ministers Phan Van Khai and Tran Duc Luong, and senior officials of relevant ministries, branches, and provinces.

Highway 14 is the backbone route of central highlands provinces. Part of it was served as the historical Truong Son Trail during the south Vietnam liberation war. At present the road plays an important role in the socio-economic development of the region. It helps shorten travels by hundreds of kilometres from Tay Nguyen highlands to several key economic zones in the country.

The highway, 235 km in length, will be covered with asphalted concrete between six and seven metres wide.

The project will be carried out by local road construction companies and expected to be complete in late 1997 at a cost of VND [Vietnamese dong] 367.9 billion (roughly USD 33 million).

SRV: Longer Cooperation Program With EU Urged

*BK1907124296 Hanoi Voice of Vietnam in English
1000 GMT 15 Jul 96*

[Station Commentary]

[FBIS Transcribed Text] Vietnam and the European Union have signed an agreement on the framework of cooperation for one year, thereby opening up a new stage of relations between Vietnam and this political,

economic, scientific, and technological organization. We now bring you a review of the implementation of the agreement over the past year.

The signing of the agreement has further developed the political and economic relations between Vietnam and the European Union. The two sides exchanged high-level political contact in the framework of ASEAN-EU at the Asia-Europe Summit Meeting in Bangkok last year, including the bilateral meeting between Prime Minister Vo Van Kiet and EU President Santer. In January, the EU representative office opened in Hanoi and the EU founding anniversary was held for the first time in Vietnam.

Vietnam and the European Union also concluded a strategy for cooperation in the period between 1996 and the year 2000, and the program of action in the period between 1996-98. The two sides also signed a number of protocol on projects on health care and investment cooperation. This development also helped upgrade and consolidate relations between Vietnam and the EU member countries. The progress of relations between the two sides stemmed from Vietnam's foreign policy to diversify multilateral relations and Vietnam's integration in the European Union's new policy toward Asia and Europe. However, there are still lack of better mutual understanding and experience in cooperation. The way of thinking and implementation between Asian and European people is different. Procedures of both sides are complicated. It took a lot of time even for the EU to make any decisions. In addition, international situation is changing, therefore, one year is not long enough for both sides to overcome all obstacles; yet we can see that the agreement on the framework of cooperation between Vietnam and the EU and ASEAN-EU cooperation including Vietnam's participation will lay a firm foundation for future relations between Vietnam and the European Union.

SRV: Repatriation of Vietnamese Boatpeople Viewed

*BK1807162096 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 9 Jul 96*

[Essay by Hong Hanh: "The Repatriation of Vietnamese Boatpeople and International Assistance"]

[FBIS Translated Text] 30 June was the day on which all Vietnamese refugee camps in Asian countries were closed down.

In the late 70's and into the early 80's, Vietnam was in the aftermath of a prolonged war that had had a heavy impact on many aspects of its socioeconomic life. Against this background, a number of people fled the

country illegally for various reasons, chiefly economic. After the reunification of the country in 1975, 840,000 people fled the country, of whom more than 700,000 people resettled in foreign countries. The remainder have had to return home.

Over the past seven years, the Vietnamese Government has cooperated with the world to satisfactorily implement a comprehensive program of action (CPA) by welcoming back nearly 80,000 returnees and creating conditions for nearly 70 percent of them to stabilize their lives. The illegal outflow of refugees has terminated since May 1993.

Dealing with the situation regarding the welcoming back of returnees during the first six months of 1996, Mr. Dinh The Lap, director of the Refugee Affairs Office, said:

[begins Dinh The Lap recording] During the first six months of 1996 alone, we accepted back 12,391 returnees. This figure is almost as large as that in 1994 and doubles that in 1995. That was the pace at which we accepted back the returnees in the first six months of 1996. The number of returning refugees was quite large and their arrivals were continual in the first half of 1996. They were brought home to Vung Tau and Can Tho ports from Malaysia. The people's committees of the localities having the returnees instructed their responsible organs to carry out policies toward the returnees, such as helping them to obtain household registration records, build their houses, get jobs and vocational training, and obtain medicare and education assistance. So far, there have been no indications of any returnees being given cruel or unfair treatment by the localities concerned. In coordination with those provinces having Vietnamese refugees, the Ministry of War Invalids and Social Welfare has had the task of accepting back the returnees and has helped them reintegrate into the local communities. In addition to providing them with an initial subsistence allowance, we have approved various small-scale projects designed to help localities with large numbers of returnees. These small-scale projects are mainly aimed at building the infrastructure such as building schools, roads, water supply, and the like. [end recording]

As of 30 June, 25,000 Vietnamese boatpeople still remained at various Asian refugee camps with 64 remaining in Malaysia, 2 in Singapore, and a total of over 2,000 in other countries. In the next two or three months, the remaining boatpeople will be repatriated. The remaining Vietnamese boatpeople in Hong Kong are, however, treated as an exceptional case because their numbers are quite large — 15,000. That is the UN High Commissioner for Refugees has agreed to

postpone their repatriation until 30 June 1997 prior to Hong Kong's integration into China.

Over the past seven years, the repatriation of Vietnamese boatpeople has received considerable assistance from various international organizations such as the UN High Commissioner for Refugees, the European Union, and nongovernmental organizations. The UN High Commissioner for Refugees have provided the repatriation program for Vietnamese refugees with over \$40 million. From 1992 to the end of 1995 alone, it financed 341 small-scale projects in Vietnam.

Mrs. (Catherine Bertrand), representative of the UN High Commissioner for Refugees in Vietnam, said:

[Begin Mrs. (Catherine Bertrand) recording in French superimposed by Vietnamese translation] Each Vietnamese returnee, voluntary or under an orderly repatriation program, has received \$240 from the UN High Commissioner for Refugees. In addition, each voluntary returnee has also received an allowance of \$200 for an adult and \$175 for a child. Apart from these allowances, the UN High Commissioner for Refugees has also helped the Vietnamese returnees through the building of the infrastructure at their homeland. The High Commissioner has paid special attention to the areas with the largest number of returnees. The High Commissioner's public utility projects involve the building of schools, bridges, and roads. The UN High Commissioner for Refugees has been operating in Vietnam since 1974 and will, in the period ahead, continue to help Vietnam with the returnees issue. As for countries still having Vietnamese refugees, assistance provided by the United Nations will gradually be reduced and eventually stopped within the next 2-3 months. Regarding the infrastructure building projects in Vietnam, they will continue to be carried out until 1997. [end recording]

After a number of trips designed to inspect the implementation of various projects and the life of the Vietnamese returnees in Haiphong and Quang Ninh, Mrs. (Bertrand) also expressed her admiration for the way in which the majority of the returnees had begun their reintegration into the local communities. She was satisfied with the assistance given by the local administrations and their efforts to resolve pressing reintegration issues for the Vietnamese returnees.

SRV: Northern Provinces Harvest 'Bumper' Winter-Spring Rice Crop

BK1907075396 Hanoi VNA in English
0709 GMT 19 Jul 96

[FBIS Transcribed Text] Hanoi VNA July 18 — Northern provinces have, by mid-July, harvested over 80 per

cent of winter-spring rice crop acreage of 1.113 million hectares, yielding nearly 4.8 million tonnes, the record harvest of winter-spring crop as compared to 4.23 million tonnes in 1993 and 4.43 million tonnes in 1994 and 1995, according to the general department of statistics.

Rice yield per hectare averages 4.3 tonnes, with the Red River Delta taking the lead at estimated 5.27 tonnes/ha.

All northern provinces are sharing the bounty, from the coastal provinces to the Red River Delta and up to mountainous areas.

After losing crops because of drought and south-western winds, all six provinces of the coastal area have got bumper crops, particularly the three southern provinces.

Quang Binh, Quang Tri and Thua Thien - Hue yielded from 3,900 to 4,100 kg per ha, increasing from 13 to 24 per cent, the total yield being estimated at over 1.1 million tonnes.

The Red River Delta has reaped the most rice.

The riverine provinces transplanted about 512,200 ha, reaching a 40-year high of 5,270 kg per ha with a total of 2.7 million tonnes.

Ten of the 13 provinces of the midland and mountainous areas, such as Tuyen Quang, Son La and Ha Bac, harvested an increased productivity of 5.7 per cent and an increased output of 7.5 per cent.

The remaining 20 per cent of late rice will be ready for reaping by the end of this month. Agricultural authorities are attempting to ensure adequate water supplies, and prevent pestilence and disease. If the weather holds, the total harvest will exceed all projections.

The rice glut has been the purchase price of rice dropping from VND 300 to 400 per kg. It is estimated that the price will decrease from VND 50 to 100 by the end this month.

However production costs also increased with 10 per cent of rice seedlings originally sown having to be re-transplanted by the cold snap early in the year.

The expenditure of some households doubled.

It means farmers will not make a profit if the sale price drops below VND 1,700 per kg.

SRV: Opinions Solicited on Need To Renovate State Enterprises

962E0058A Hanoi LAO DONG in Vietnamese
2 May 96 p 3

[Article: "Renovation of State Enterprises: Should the Managing Ministry Be Dropped?"]

[FBIS Translated Text] **Minister Phan Van Tiem, chairman, State Enterprises Renovation Commission:** The state enterprises are encountering extremely fierce competition. Therefore, it is necessary to renovate and reorganize the system of state enterprises. To abolish the managing level in regard to the state enterprises is a solution (that is being selected) aimed at "untying" the state enterprises to let them be more able to compete. However, how to abolish it and at what time to abolish it is something that we should calculate and consider. As to the question of determining the powers of directors, management boards, and so on, the state enterprise directors themselves must let us know their opinions.

-Prof. Tran Phuong, president, Vietnam Political Economy Association: Until now, the fact that the managing ministry has been acting as a profound professional influence on the state enterprises has become a cumbersome machinery that weighs them down. There is an overpowering situation in the economy: Division exists between central and local state enterprises, between provinces and districts. These are thorny questions, but to resolve them is *extremely difficult*. Should we resort to abolition, with only the governmental level remaining? Therefore, we must understand that to abolish the managing level means *to abolish only the manner of acting as an excessively profound professional influence on the production and business activities of state enterprises*.

Furthermore, I do not agree with the view that state enterprise directors are hired people. They are the representatives of the state in managing properties and turning them into productive properties. In actual cases, these directors have been trained by the socialist system, used to hold up arms to defend this system, and are party members; therefore, for what reasons do we consider them hired people? Since the party has been saying that the working people are owners, why does the law "define" them as hired people? This is not correctly in conformity with historical realities.

-Doan Van Kien, director general, Vietnam Coal General Corporation: As management boards represent the state in regard to capital ownership, they must decide how to invest; but the fact that everything must be applied through the Ministry of Finance makes it too late for them to seize the right opportunities by the time

the ministry's approval goes through. In my opinion, it is rational for the (major) state enterprises to have their management boards. The question is how to select board members having both talent and virtues and having a realistic work mechanism to serve as a support for directors. At present, state enterprises must report to so many levels: For instance, a matter that a director general reports to the management board must be reported by the latter to the managing ministry, which must solicit the opinion of the Ministry of Finance, which must report it to the Prime Minister. I would like to propose that the National Assembly revise the State Enterprise Law so as to liberate state enterprises.

-Truong Dinh Tuyen, vice minister, Ministry of Commerce: In my opinion, we should abolish the managing ministry only around the year 2010. There will be large economic groups to take care of the process of financial accumulation. This is the axle of the economy for enterprises to operate around (distribution of financial sources also is mainly concentrated on it). This is not the right time to abolish the managing level.

-Nguyen Xuan Kham, director, Hanoi Commercial Service: To develop production and business sectors in the preset direction is the function of ministries. Since state enterprises must have state management, it is impossible to abolish the managing ministries. Since ministries are the ownership representatives of the state, why should we abolish them? As for management boards, in my opinion, private enterprises need them, but it is not necessary for state enterprises to have them.

-Tran Minh, director, Vietnam Airlines Gas-Oil Corporation: The state's money in state enterprises undergoes so many management levels. Therefore, we should understand abolishing the managing ministry in the sense of financial management. In my opinion, the issue of management boards must be discussed carefully. We have carried out pilot projects only in the strong general corporations and have not yet had enough time to evaluate whether they operated truly efficiently or not. We should have boards of directors in the place of management boards and, if members of boards of directors are the directors of member enterprises, things will be run more favorably and smoothly.

-Pham Si Nam, director, Hanoi Industrial Weaving Corporation: Since management boards are paid by general corporations, like the enterprise boards of the past they will not be impartial. In my opinion, if management boards were paid by the state so as not to be financially dependent on enterprises, they would be the impartial ownership representatives of the state; to abolish the managing ministry is something to take place in the future. If we abolish managing ministries

now, the state properties will be under the management of nobody. The reason is that the Ministry of Finance cannot manage them all.

-Nguyen Van Thinh, deputy director general, Vietnam Paper General Corporation: State enterprises should not have management boards, but instead we should give more powers to director general boards. There is something confusing here: Management boards entrust directors general with capital and yet get paid by general corporations; then management boards hire directors general, who sign pay checks to pay (members of) management boards. We must untangle this situation.

Above we have the various opinions of the representatives of a number of organizations, sectors, and state enterprises in regard to these issues: Should we abolish the managing level, and how should we abolish it? Are management boards needed in state enterprises? According to Minister Phan Van Tiem, these are opinions of advisory nature. The State Enterprises Renovation Commission will solicit more opinions and will present them to the government in the time to come.

SRV: Prime Minister Writes on Industrialization, Modernization

962E0057A Hanoi THOI BAO KINH TE VIET NAM
in Vietnamese 22 May 96 p 1

[Article written by SRV Prime Minister Vo Van Kiet following an interview with THOI BAO KINH TE VIET NAM editor-in-chief: "Industrialization, Modernization—Prime Minister Vo Van Kiet: 'We Do Not Pursue the Old-Style Industrialization'"]

[FBIS Translated Text] *The draft political report to be presented to the Eighth Party Congress asserts as follows: "Our country is moving into a new period in which the industrialization and modernization of the country will be accelerated." In the past, the Third and Fourth Party Congresses had also set forth the contents of socialist industrialization. This time, therefore, what new contents does our industrialization have? As an answer to this question put to him by Prof. Dao Nguyen Cut, our editor-in-chief, Prime Minister Vo Van Kiet has written the following article just for THOI BAO KINH TE VIET NAM. We now bring you the whole text of this article.*

Ever since our people achieved national liberation and reunification, industrialization has been our dream and aspirations as we were seeking to move forward and to build a rich and strong country and a just and civilized society. At present and in the next decades industrialization continues to be our people's longing. For this

reason, from the Third Party Congress until now, we have been paying constant attention to industrialization and considering this vital matter a strategic goal to be attained. We may say that this strategic goal, which has so far remained unchanged and will in the future remain unchanged, is to create material and technical conditions, and material and mental assets, rich and abundant enough for us to develop the country in the preset socialist direction. To put it very briefly, it is industrialization for the sake of socialist building. However, through each and every party congress, our understanding of and way of thinking about pursuing industrialization and the contents and steps of industrialization have undergone many basic changes and are more well-defined everyday.

We need specifically to emphasize the resolutions of the seventh-term CPV Central Committee, first of all the resolutions of the midterm National Conference of Delegates (January 1994) and the Seventh Plenum of the CPV Central Committee (July 1994), which, on the basis of the profound changes in our domestic socioeconomic situation and the new background of the world and regional situation, reevaluated our country's industrialization and further clarified the strategic contents and steps needed to achieve industrialization by the period of 2010-2020. In the course of the preparations for the Eighth Party Congress, these new views have been raised to new heights and included in the draft political report, which will be discussed at the forthcoming Eighth Party Congress.

From the standpoint of economic thinking, we may briefly say as follows: In the past, there had been a period when we based the industrialization strategy on the idea of the centrally planned and subsidized economy; today, it is based on the renovation idea. The Sixth Party Congress criticized the hastily implemented and subjective views that were not in conformity with the law. Our party's midterm national conference of delegates emphasized the idea that we should not pursue industrialization in the old style.

As an answer to the question raised in the interview, I only want to briefly list the new characteristics in our industrialization strategy as follows:

We do not pursue industrialization in conformity with a centrally planned and subsidized closed economy. Today, in the spirit of safeguarding our independence and self-rule, we must pay special attention to pursuing industrialization by exploiting all of the country's advantages in order to take a continually larger part in the world and regional economic development and thus to obtain optimal economic results and to satisfy more and more favorably our country's development needs. In this

process, according to the spirit of the resolution of the Seventh Plenum of the CPV Central Committee, we advocate a harmonious combination of replacing import with production and leaning toward export and constantly striving to raise our exporting capacity.

We pursue industrialization in a multicomponent economy in accordance with the market mechanism and with management by the state. The law of our country recognizes the equality among the economic components and encourages and recognizes getting rich in a legal manner; under these conditions, the state economic sector must exploit all of its great capabilities in order to play its leading role, to open the way for the nation's economy as a whole to reach new products and new markets, and to accelerate our country's economic development. We pay attention to developing the foreign countries-related economy within our industrializing process and making utmost efforts to be self-sufficient and self-strengthening in creating our ever-increasing domestic strength, which serves as a basis for broadening this foreign countries-related economy.

The industrializing process must regularly observe the principle of ensuring a balanced, stable, and lasting development of the entire economy and the entire society. We must maintain harmony among the issues of economic development, social welfare, and environmental protection. All must be aimed at promoting the goal of a wealthy population, a strong country, and a just and civilized society. We advocate giving special priority in the years lying ahead to developing the infrastructure and manpower, moving toward catching up with the overall development of the world economy, and building an active and flexible economic mechanism that will serve as a precondition for even greater development steps in our industrialization in the years to follow.

Most important is the fact that each and every one of us citizens, no matter who we are, what we do, and to what economic component we belong, must clearly recognize the urgent need of our country to accelerate the industrialization, clearly see the challenges that our economy has to overcome, and have the determination to seize every opportunity to bring our country out of poverty and backwardness early. By the year 2000, we must completely eradicate the poverty and hunger that still remain with a component of our population and achieve the standard of living of a country having average economic development; we must strive to become an industrialized country in about the period of 2010-2020.

SRV: Correction to Listing of CPV Committee
Names

BK1507135296

[The following corrections pertain to the item headlined
"SRV: Members of 8th Central Committee Listed"
published in the 3 July East Asia DAILY REPORT,
page 67:

Page 67, column two, No.29 should read "Nguyen Van
Dang" instead of "Nguyen Van Dan"; No. 31 should
read "Lu Van Dien" instead of "Luu Van Dien"

Page 68, column two, No. 62 should read "Bui Quang
Huy" instead of "Bui Quoc Huy"

Page 69, column one, No.98 should read "Le Huy Ngo"
instead of "Le Duy Ngo"

Page 69, column two, No. 130 should read "Ta Huu
Thanh" instead of "Ta Thu Thanh"; No. 137 should read
"Ngo Yen Thi" instead of "Ngo Danh Thi"

Page 70, column two, No. 167 should read "Nguyen
Duy Lu" instead of "Nguyen Phi Lu"; No. 169 should
read "Le Danh Xuong" instead of "Le Danh Thuong."

Australia

Australia: Prime Minister Criticizes U.S. 'Greenhouse' Action

BK1907084096 Sydney THE SYDNEY MORNING HERALD in English 19 Jul 96

[Article by Gavin Gilchrist and Andrew McMathie: "U.S. Greenhouse Stand Selfish: MP" — received via Internet]

[FBIS Transcribed Text] The prime minister, Mr. Howard, yesterday accused the United States of acting out of self-interest by backing tough international action aimed at cutting emissions of harmful atmospheric pollutants.

By calling for targets to be set by the end of next year, the U.S. has left Australia isolated as virtually the only advanced nation still opposed to targets and disputing that the scientific evidence warrants action.

Defending Australia's pro-industry position at the climate change summit in Geneva, Mr. Howard said he was disappointed by the decision.

"What is happening here is that the Americans are looking after their own national interests," Mr. Howard said. "It suits the Americans and the Europeans to take a different line on this issue than Australia."

Two days ago, the U.S. announced that it had dropped opposition to legally binding targets for cuts in the pollutants scientists fear will cause potentially dangerous and unpredictable shifts in the world's climate due to the greenhouse effect.

The federal environment minister, Senator Hill, who heads the Australian delegation in Geneva, was even singled out for special criticism by Britain's minister for the environment, Mr. John Gummer. "I have to disagree with my Australian colleague when he said he was 'looking for an effective and long-term regime,'" Mr. Gummer said. "No developed country can properly avoid action - and action now. The time for looking is past."

Senator Hill said he believed Australia had successfully pushed its case for different national circumstances to be taken into account should targets be set - a policy which seeks to give Australia an easier target than other nations.

Greenpeace Australia's climate campaigner, Mr. Erwin Jackson, said Mr. Howard should realise "it suits everyone to protect the global environment ... Australia can't seem to see past its coal trade to protect everybody's national interest."

The Australian Conservation Foundation's executive director, Mr. Jim Downey, said the government's position risked Australia being isolated from negotiations for the climate convention over the coming year.

Fiji

Fiji: Premier Warns Against Interference in Constitutional Review

LD1907113996 Melbourne Radio Australia in English 1100 GMT 19 Jul 96

[FBIS Transcribed Excerpt] Fijian Prime Minister Sitiveni Rabuka has warned against overseas interference in the ongoing review of the country's Constitution. In a statement to parliament Mr. Rabuka said [that] while he and his government were not averse to debate on the issue they strongly objected to blatant efforts by foreign people and organizations to push Fiji toward certain goals.

The prime minister was responding to controversy stirred [up] by a government decision to stop a student essay competition organized by the British Embassy on the question: will your future be affected by Fiji's Constitution?

Mr. Rabuka said his message to outsiders was: thanks, but no thanks. He said Fiji was a small nation but was sovereign and proud, and did not need paternalistic support. [passage omitted reviewing Constitution]

Papua New Guinea

Papua New Guinea: Port Moresby Accuses Honiara of Aiding BRA

BK1907071796 Melbourne Radio Australia in English 0500 GMT 19 Jul 96

[FBIS Transcribed Text] Papua New Guinea's [PNG] secretary of foreign affairs and trade, Gabriel Dusava, has criticized the Solomon Islands Government for aiding the Bougainville Revolutionary Army [BRA]. Speaking on PNG's National Radio, he said he has evidence to show that members of the Solomon Islands Parliament, senior government officials, and others in high places are helping the BRA obtain weapons. He accused the Solomon Islands Government of not adhering to agreements both sides negotiated at meetings in Honiara and Port Moresby.

Mr. Dusava said his government is still waiting for the Solomon Islands to finalize arrangements for a meeting of the two prime ministers. He said [Prime Minister] Sir Julius Chan is ready but Honiara seems not to be doing anything about the matter.

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